

# **Unemployment Insurance Board**

## **2002 – 2003 Annual Report**

**Presented to**  
**Governor Joseph Kernan**  
**and the**  
**Indiana General Assembly**

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**by the**  
**Unemployment Insurance Board**  
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**Sherlonda Anderson, Member**  
**Jan Elsea, Member**  
**Thomas Hargrove, Member**  
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**INDIANA  
WORKFORCE  
DEVELOPMENT**



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Deputy Commissioner, Field Operations  
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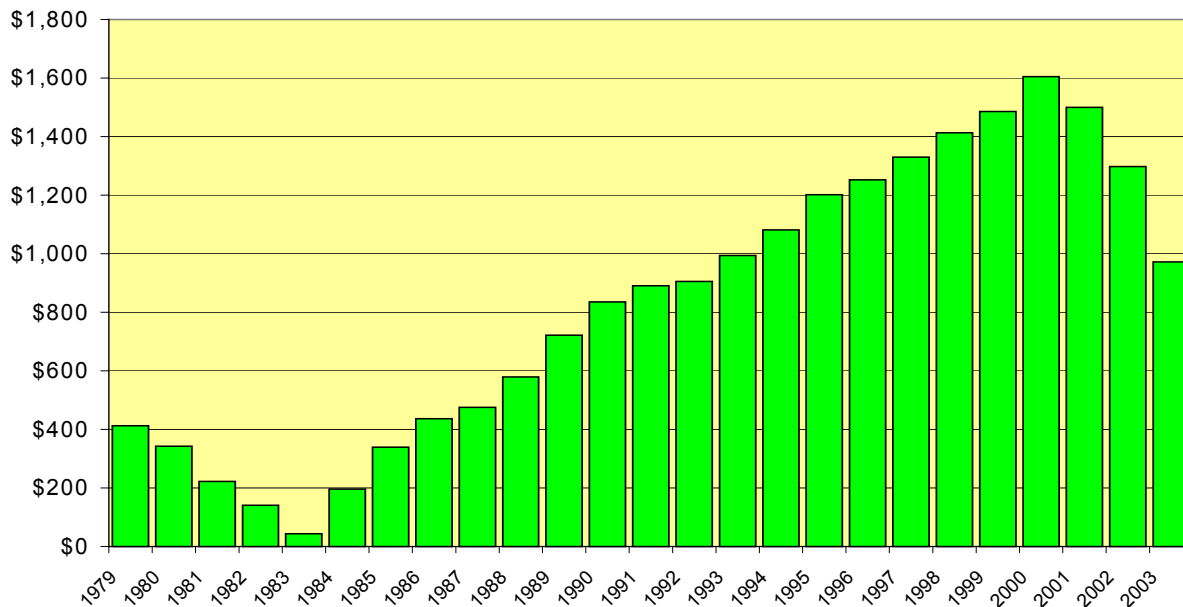
The Indiana Unemployment Insurance Board is established by law and consists of nine (9) members appointed by the Governor who serve staggered four-year terms. The Board consists of a cross-representation of the workforce. There are four (4) labor members that represent the concerns of Indiana working families; two (2) members representing the interests of large employers, two (2) members representing the interests of small employers, and one (1) member that represents the state and the public-at-large.

The Board is responsible for presenting this annual report to the Governor regarding the Unemployment Insurance Program and the status of the three (3) Unemployment Insurance Funds: the Unemployment Insurance Trust Fund, the Employment and Training Services Administration Fund, and the Special Employment and Training Services Fund.

Unemployment Insurance (UI) programs were established in 1938 to cushion the impact of an economic downturn for workers and their families and to help bring economic stability to businesses and communities. Contributions are collected from employers and are held for the states in the unemployment trust fund in the US Treasury. The trust fund provides a stable funding source for financing unemployment benefits.

Indiana's trust fund balance was \$971,755,710 on June 30, 2003. This is the third year that the trust fund balance dropped after experiencing incredible growth that began in 1983, as shown in Chart 1: *UI Trust Fund Balance (Millions)*.

**Chart 1: UI Trust Fund Balance (Millions)**  
June 1979 - 2003



The continuing decline in the trust fund balance was primarily the result of the national recession that started in early 2001, and its after effects. Several key factors, when combined, have greatly influenced the decline in Indiana's trust fund balance. Some of these factors include:

- Amount of benefits paid – The benefits paid increased by 167.0 percent from FY 00 (July 1, 1999 through June 30, 2000) to FY 03. In FY 03 \$701.4 million in unemployment benefits were distributed to Hoosier workers. This was an increase of 1.9 percent over the previous fiscal year.

- Amount of employer contributions – Contributions were \$326.8 million during the 12-month period ending June 2003, an increase of only 10.9 percent from FY 00.
- Interest – As the trust fund balance dropped, the earned interest dropped accordingly. Interest received during FY 03 totaled \$68.1 million, a decrease of 31.8 percent from the amount received in FY 00.

As shown in Chart 2: *Amount Of Total Benefits Paid Monthly (Millions)* illustrates the steady increase in the amount of UI benefits that were paid, starting with July 1999 and ending in June 2003. Over this forty-eight month period the amount of benefits paid went from \$18.3 million in July 1999 to \$59.5 million in June 2003. It reached a high of \$91.5 million in January 2002.

**Chart 2: Amount of Total Benefits Paid Monthly (Millions)**  
July 1999 - June 2003

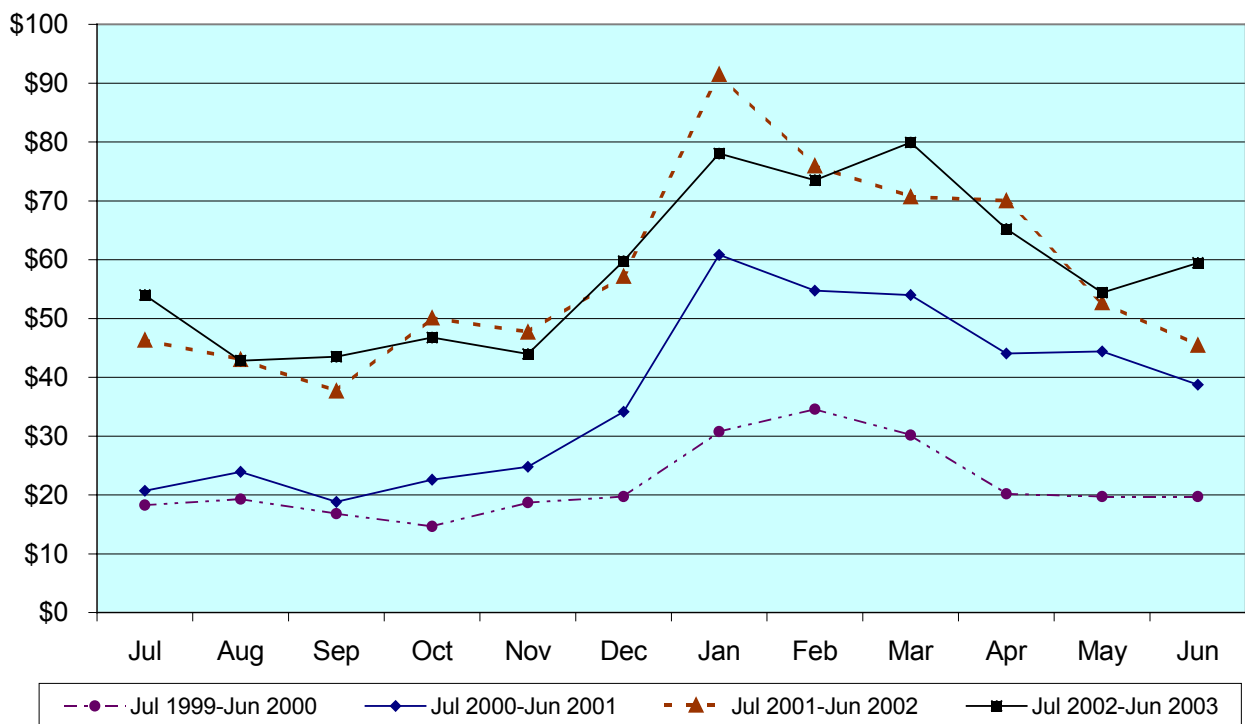




Table 1: *Comparison of UI Trust Fund Transactions* shows comparisons of Indiana's UI Trust Fund transactions and balances over the last 4 years.

**Table 1: Comparison of UI Trust Fund Transactions  
12 Months Ending June 30, 2000, 2001, 2002 and 2003**

	2000	2001	2002	2003
<b>Benefits Paid (millions)</b>	<b>\$262.7</b>	<b>\$441.7</b>	<b>\$688.2</b>	<b>\$701.4</b>
<b>Contributions (millions)</b>	<b>\$294.8</b>	<b>\$259.7</b>	<b>\$242.3</b>	<b>\$326.8</b>
<b>Federal Interest (millions)</b>	<b>\$ 99.8</b>	<b>\$102.5</b>	<b>\$ 86.5</b>	<b>\$ 68.1</b>
<b>Balance (millions)*</b>	<b>\$1,607.5</b>	<b>\$1,499.8</b>	<b>\$1,297.7 **</b>	<b>\$971.8</b>

\* Balances cannot be calculated from prior year's balance due to accounting adjustments.

\*\* Includes \$175 million in economic stimulus funding.

In spite of the national economy, Indiana's trust fund has remained solvent. Indiana's trust fund is capable of paying more than 16 months of benefits without another contribution to the trust fund as long as payments continue at their current level. As of June 30, 2003, Indiana ranked 23rd in the nation in the number of months of benefits in the trust fund.

Chart 3: *Months of Benefits in the Trust Fund* compares Indiana's trust fund to neighboring states. Indiana continues to rank higher than the neighboring states although the trust fund balance has dropped at a faster rate. Historically, during tough economic times, Indiana's focus has been on distributing funds to Hoosier workers. By doing this, Indiana has helped thousands of Hoosier workers who have lost their jobs as well as employers and the community by stimulating the economy.

**Chart 3: Months of Benefits in the Trust Fund for Indiana and Neighboring States**

(As of June 30, 2003)

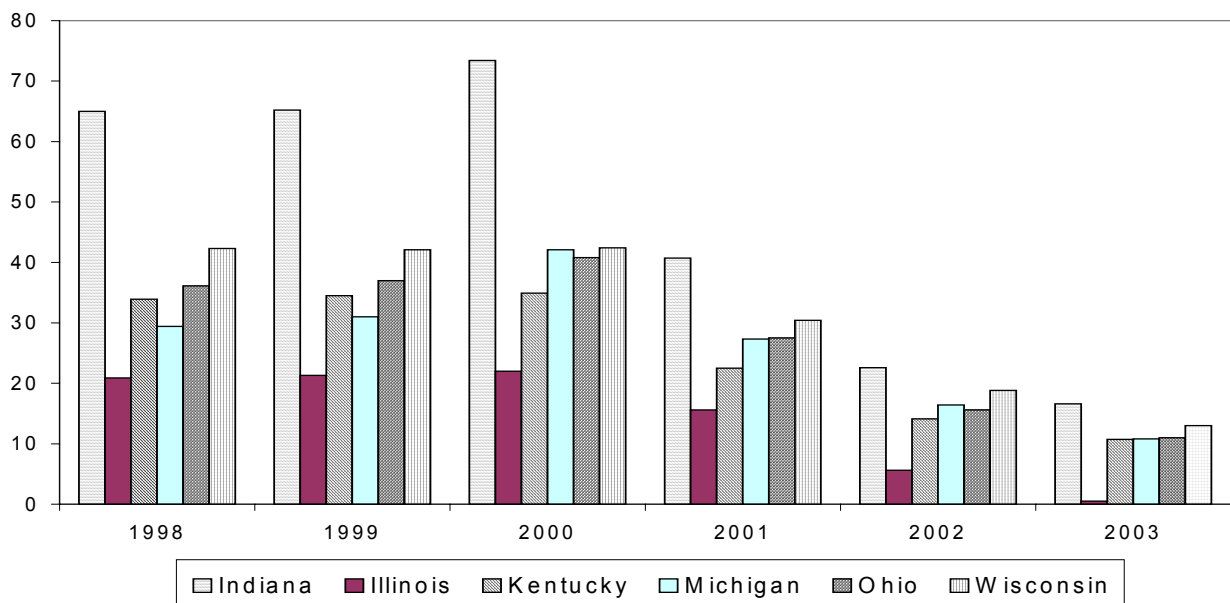


Table 2: *Three Year Comparison of Key Factors and Indiana's National Ranking* compares selected UI indicators taken from the US Department of Labor's *UI Data Summary* for the twelve-month periods ending June 30, 2000 – 2003.

**Table 2: Three Year Comparison of Key Factors and Indiana's National Ranking**

	2001	2002	2003	'02 to '03 % of Change
<b>Benefits paid (millions)</b>	<b>\$441.70</b>	<b>\$688.20</b>	<b>\$701.37</b>	<b>1.91%</b>
<i>National Rank</i>	18	19	18	
<b>Weeks compensated (millions)</b>	<b>1.9</b>	<b>2.8</b>	<b>2.8</b>	<b>0.00%</b>
<i>National Rank</i>	19	19	19	
<b>Average duration (weeks)</b>	<b>10.9</b>	<b>13.5</b>	<b>13.3</b>	<b>-1.48%</b>
<i>National Rank</i>	46	40	48	
<b>Average Weekly Benefit Amount (AWBA)</b>	<b>\$236.79</b>	<b>\$251.19</b>	<b>\$260.08</b>	<b>3.54%</b>
<i>National Rank</i>	21	22	18	
<b>Average Weekly Wage (AWW)</b>	<b>\$593.35</b>	<b>\$607.64</b>	<b>\$622.91</b>	<b>2.51%</b>
<i>National Rank</i>	27	27	27	
<b>AWBA as Percent of AWW</b>	<b>40.70%</b>	<b>41.50%</b>	<b>42.20%</b>	<b>1.69%</b>
<i>National Rank</i>	21	22	19	
<b>Revenue (millions)</b>	<b>\$259.70</b>	<b>\$242.30</b>	<b>\$326.83</b>	<b>34.89%</b>
<i>National Rank</i>	19	21	18	
<b>Wages paid (billions)</b>	<b>\$89.30</b>	<b>\$89.50</b>	<b>\$90.55</b>	<b>1.17%</b>
<i>National Rank</i>	16	16	16	
<b>Tax rate on total wages</b>	<b>0.40%</b>	<b>0.30%</b>	<b>0.30%</b>	<b>0.00%</b>
<i>National Rank</i>	41	45	43	
<b>Tax rate on taxable wages (Estimated)</b>	<b>1.20%</b>	<b>1.10%</b>	<b>1.20%</b>	<b>9.09%</b>
<i>National Rank</i>	39	41	35	
<b>Covered employment (millions)</b>	<b>2.893</b>	<b>2.833</b>	<b>2.796</b>	<b>-1.31%</b>
<i>National Rank</i>	14	14	14	
<b>Total unemployment rate</b>	<b>3.20%</b>	<b>4.90%</b>	<b>5.00%</b>	<b>2.04%</b>
<i>National Rank</i>	42	31	36	
<b>Months of benefits in UI Trust Fund</b>	<b>40.7</b>	<b>22.6</b>	<b>16.6</b>	<b>-26.55%</b>
<i>National Rank</i>	17	20	23	
<b>Average High Cost Multiple (AHCM)</b>	<b>*</b>	<b>1.47</b>	<b>1.24</b>	<b>-15.65%</b>
<i>National Rank</i>	*	10	14	

\* The ACHM for this year was based on a different set of recessions.

For further information and/or more current UI Trust Fund data, please contact UI Statistics at 317/232-7706 or visit the Department of Labor's web site at the following address: <http://workforcesecurity.doleta.gov/unemploy/content/data.asp>.

The Employment and Training Services Administration Fund is used to pay the administrative costs of Indiana's employment security programs. In addition to Unemployment Insurance, these programs include: Labor Market Information, which collects, analyzes, and reports on employment statistics; UI Statistics, which collects, analyzes, and reports on unemployment statistics; Employment Services, which provides job counseling and matches job seekers with employers; and employment services for veterans.

Funding for the Administrative Fund is derived from taxes established by the Federal Unemployment Tax Act (FUTA) and paid by employers to the Internal Revenue Service. The FUTA tax is 6.2% of the first \$7,000 paid to each employee in a calendar year. The employer is eligible for a 5.4% credit against FUTA taxes if the state program operates in conformity with the federal law. Employers must pay state unemployment taxes on time in order to receive the full 5.4% credit toward their FUTA tax.

The US Department of Labor (USDOL) allocates funding for the Administration Fund to ensure proper and efficient administration of the state's employment security programs. The USDOL uses a formula based on workload to determine the amount of funding allocated to the states. That formula is applied to congressional appropriations to determine each state's funding.

For FY03, the Indiana Department of Workforce Development (DWD) had a \$2.4 million decrease in UI Base Funding and received a total of \$54.4 million in Employment Service Activities Funds. It is anticipated that FY04 UI Base Funding will decrease by \$1.6 million.

Also during this period was a special one-time UI Reed Act distribution of \$174.5 million, which the Indiana legislature has approved for several uses. This funding provides a special opportunity for Indiana to diversify and strengthen its economy and improve Unemployment Insurance services. DWD was approved to use \$72.2 million for specific programs and \$102.4 million for the Unemployment Trust Fund Benefits. Working with Governor Kernan, DWD has received approval for the following primary uses of these funds:

- \$25 million to meet the workforce needs of Hoosier employers who have occupations that are high wage, high skill, and in high demand.
- \$8 million for use by the Workforce Investment Boards in administration of Indiana's public employment offices.
- \$39.2 million to modernize and simplify the Unemployment Insurance system.
- \$103.8 million remains in the Trust Fund for solvency and to be available for future UI benefits.

Penalties and interest collected on employers' delinquent UI taxes are deposited in the Special Employment and Training Services Fund. The UI Board may use monies in this fund to reimburse interest and penalties improperly collected; the costs of administration, which cannot be charged to federal grants or other funds received; and for unemployment prevention programs. Expenditures from the special fund cannot be made until the UI Board finds that no other funds are available that can be properly used to finance such expenditures. The special fund's uncommitted balance as of December 31, 2003, was \$7,839,087.70

State tax funding for the Unemployment Insurance (UI) program is provided through a payroll tax on Indiana employers who are liable under the Indiana Department of Workforce Development Act. The Indiana tax-rating system provides for variable tax rates for employers based on each employer's individual unemployment account history and the past year's statewide unemployment activity. A separate account is maintained for every reporting employer. A ratio is calculated for each taxable employer based on their account experience balance (tax paid less benefits charged) and recent taxable wages reported. This ratio is then applied to a rate schedule determined each year by the economic conditions within the state. This ratio is applied to determine each employer's tax rate for the year.

Provisions of the law may affect employer tax rates such as the number of years or months an employer has been subject to Indiana's law, recent reporting activity, and delinquent report/tax status. Other factors, including benefits paid to former employees, voluntary payments, and the complete or partial selling and purchasing of other businesses by the employer also impact each employer's rate.

While the Federal Unemployment Tax Act (FUTA) establishes a fixed tax rate, the state tax is determined by using a two-step experience rating system. This is similar to business insurance in that a risk assessment is made each year before the tax rate is assigned for the following year.

The tax rates are computed using the following steps:

- 1. Annually determine the applicable rate schedule to be applied to all employers.** Schedule C is used for calendar year 2003.

In the absence of legislative action, a calculated fund ratio determines the schedule to be used. The fund ratio is a numerical evaluation of the UI Trust Fund balance as of September 30 divided by the total payroll of all subject Indiana employers for the preceding calendar year. The fund ratio is applied to the Fund Ratio Schedule (IC 22-4-11-3(a)), which is used to determine the applicable tax schedule. The following is an example of the ratio calculation:

The following represents 2003's fund ratio computation:

\$ 1,198,911,563.73	(fund balance as of Sept 30 <sup>th</sup> determination date)	
\$75,011,045,223.26	(total gross payroll reported by all subject employers for calendar year 2002)	=1.59831

Schedule C is used when the fund ratio is as much as 1.5% but less than 2.5%

## **2. Determine experience rate calculations for each employer.**

Employers with credit reserve balances (state UI taxes paid exceed benefits charged) in their account are evaluated by comparing this balance with the thirty-six (36) months prior to the computation date total taxable wages reported, giving the credit reserve ratio. This ratio formula is used to determine each individual employer's tax rate according to the Rate Schedule for accounts with credit balances. The tax rates will range from 0.10 percent to 2.7 percent in schedule C for these employers. Below is an example of an employer with a credit rate balance.

Employer A has an experience account credit balance of \$3,562 and a thirty-six (36) month total taxable wages of \$825,000. Employer A's credit reserve ratio is .43%. Because .43% is between 0.4% and 0.6% on the Credit Balance of Schedule C, 2.3% is the correct contribution rate for Employer A.

$$\text{Credit Reserve Ratio} = \frac{\$ 3,562 \quad (\text{experience account balance})}{\$ 825,000 \quad (36 \text{ month total of taxable wages})} = .43\%$$

Employers with a debit balance account (UI benefits charged exceed the taxes collected) are evaluated and a tax rate is assigned in accordance with the Rate Schedule for accounts with debit balances. The tax rates will range from 4.2 percent to 5.4 percent in schedule C for these employers. The following is an example of an employer with a debit experience balance.

Employer B has an experience account deficit balance of \$6,000 and a thirty-six (36) month total taxable wages of \$725,000. Employer B's debit reserve ratio is .83%. Because .83% is less than 1.5% on the Debit Balance of Schedule C, 4.2% is the correct contribution rate for Employer B.

$$\text{Debit Reserve Ratio} = \frac{\$ 6,000 \quad (\text{experience account balance})}{\$ 725,000 \quad (36 \text{ month total of taxable wages})} = .83\%$$

The unemployment insurance contribution rates for the following year are computed based on each employer's account status as of June 30, the computation date, and the past thirty-six (36) months of payroll. In order to qualify for a merit rate or lower rate, an employer must meet the following requirements:

- A. (New Employer) The employer must have been covered by the Indiana Code Title 22 Chapter 4 for thirty-six (36) consecutive months immediately preceding the computation date. If this requirement has not been met, the employer's rate cannot be less than 2.7 percent.
- B. The employer must have had payroll in each of the three (3) twelve-month periods immediately preceding the computation date. If this requirement is not met, the employer's rate cannot be less than 2.7 percent.
- C. The employer and any predecessors must file all required quarterly reports through the quarter immediately preceding the computation date and pay the contributions, interest, and/or penalty owed for these quarters.

If this last requirement is not met, the employer's rate shall not be less than 5.4 percent. This rate is divided into two (2) parts, a computed tax rate and a penalty rate. Whichever is less, 1 percent of the rate or the difference between the computed and penalty rate, is used to calculate the Requirement C penalty amount. This penalty amount is deposited into the Special Employment and Training Fund and is not included in the employer's experience balance.

The table on page 14, *Demographics of UI - Covered Employers*, provides a breakdown of all employers (not including reimbursable employers). It is based on Schedule C for 2003 which has tax rates of 0.1% to 5.5%.



**Table 3: Demographics of UI Employers**  
**Schedule C for Rating Year 2003**  
*(Does not include reimbursable employer accounts)*

Experience Factor	Current Rate Schedule C	Number of Employers	Percent of All Employer Accounts	Cumulative Number of Employer Accounts	Cumulative Percent of Employer Accounts To All Employer Accounts	Taxable Payroll (\$000)	Percent of All Taxable Payroll	Cumulative Taxable Payroll of Employers (\$000)	Cumulative Percent of Taxable Payroll of Employers to Taxable Payroll of All Employers	Annual Tax Per Employee
<b>Demographics of Credit Balance Employers</b>										
3.00 & over	0.10%	28,001	24.00%	28,001	24.00%	\$1,246,008	6.93%	\$1,246,008	6.93%	\$7
2.80-2.99	0.10%	3,773	3.23%	31,774	27.23%	\$287,541	1.60%	\$1,533,549	8.53%	\$7
2.60-2.79	0.10%	5,038	4.32%	36,812	31.55%	\$587,333	3.27%	\$2,120,883	11.80%	\$7
2.40-2.59	0.30%	5,684	4.87%	42,496	36.42%	\$579,825	3.23%	\$2,700,707	15.02%	\$21
2.20-2.39	0.50%	4,985	4.27%	47,481	40.69%	\$926,270	5.15%	\$3,626,977	20.18%	\$35
2.00-2.19	0.70%	5,180	4.44%	52,661	45.13%	\$1,261,128	7.02%	\$4,888,106	27.19%	\$49
1.80-1.99	0.90%	4,515	3.87%	57,176	49.00%	\$1,320,217	7.34%	\$6,208,322	34.53%	\$63
1.60-1.79	1.10%	3,675	3.15%	60,851	52.15%	\$1,746,431	9.71%	\$7,954,754	44.25%	\$77
1.40-1.59	1.30%	2,752	2.36%	63,603	54.51%	\$1,154,756	6.42%	\$9,109,510	50.67%	\$91
1.20-1.39	1.50%	2,233	1.91%	65,836	56.42%	\$1,025,586	5.70%	\$10,135,096	56.38%	\$105
1.00-1.19	1.70%	1,844	1.58%	67,680	58.00%	\$813,125	4.52%	\$10,948,221	60.90%	\$119
0.80-0.99	1.90%	1,491	1.28%	69,171	59.28%	\$719,706	4.00%	\$11,667,927	64.90%	\$133
0.60-0.79	2.10%	1,342	1.15%	70,513	60.43%	\$605,540	3.37%	\$12,273,467	68.27%	\$147
0.40-0.59	2.30%	1,094	0.94%	71,607	61.37%	\$432,953	2.41%	\$12,706,420	70.68%	\$161
0.20-0.39	2.50%	934	0.80%	72,541	62.17%	\$421,179	2.34%	\$13,127,599	73.02%	\$175
0.00-0.19	2.70%	1,330	1.14%	73,871	63.31%	\$522,581	2.91%	\$13,650,179	75.93%	\$189
<b>Total Credit Balance Employers</b>		<b>73,871</b>	<b>63.31%</b>			<b>\$13,650,179</b>	<b>75.93%</b>			
<b>Demographics of Debit Balance Employers</b>										
less than 1.5	4.20%	3,984	3.41%	3,984	3.41%	\$1,384,546	7.70%	\$1,384,546	7.70%	\$294
1.50 - 2.99	4.50%	2,320	1.99%	6,304	5.40%	\$539,295	3.00%	\$1,923,841	10.70%	\$315
3.00 - 4.49	4.70%	1,377	1.18%	7,681	6.58%	\$258,835	1.44%	\$2,182,677	12.14%	\$329
4.50 - 5.99	5.10%	1,004	0.86%	8,685	7.44%	\$269,319	1.50%	\$2,451,996	13.64%	\$357
6.00 & over	5.40%	4,862	4.17%	13,547	11.61%	\$638,844	3.55%	\$3,090,840	17.19%	\$378
<b>Total Debit Balance Employers</b>		<b>13,547</b>	<b>11.61%</b>			<b>\$3,090,840</b>	<b>17.19%</b>			
<b>Demographics of Specially Rated Employers</b>										
Governmental	1.00%	18	0.02%	18	0.02%	\$343	0.00%	\$343	0.00%	\$70
Delinquent Employers	5.50%	5,505	4.72%	5,523	4.73%	\$314,137	1.75%	\$314,480	1.75%	\$385
<b>Total Specially Rated Employers</b>		<b>5,523</b>	<b>4.73%</b>			<b>\$314,480</b>	<b>1.75%</b>			
<b>Demographics of New Credit Balance Employers</b>										
New Credit Balance Employers	2.7%	23,741	20.35%	23,741	20.35%	\$921,916	5.13%	\$921,916	5.13%	\$189
<b>Total All Subject Employers</b>		<b>116,682</b>	<b>100.00%</b>			<b>\$17,977,415</b>	<b>100.00%</b>			

Incumbent worker training is an initiative of the Indiana Department of Workforce Development (DWD) designed to promote lifelong learning and to improve the skills and productivity of the Indiana workforce. In 1999, DWD consolidated its incumbent worker training programs into one program – *Advance Indiana*.

*Advance Indiana* training grants are financed from the penalties and interest on delinquent unemployment insurance taxes as well as incumbent worker training taxes and federal Workforce Investment Act (WIA) funds. The Unemployment Insurance (UI) Board must approve all training grants except for those projects using federal dollars. These training grants help our employers prepare their workforce to meet the challenges of changing technology and to maintain their competitive edge in global economy. In addition, keeping workers current with changing technology will help them keep their place in the labor force, and should they lose their job, their new skills will help them find new employment more quickly.

*Advance Indiana* is very flexible in terms of the types of training it can help fund. Ultimately, the key factor is that the training must result in a portable skill credential for the employee. Credentials document the proficiencies of the worker and are valuable to employees for job growth and to the employers for career development. Examples of portable credentials include college degrees, apprenticeships, journeyperson upgrades, and other nationally recognized skill credentials. Projects may last up to 24 months from the date of the award, and the maximum grant amount is typically \$200,000. Interested applicants are encouraged to contact the *Advance Indiana* hotline at 1-800-465-4616 to inquire about *Advance Indiana* training opportunities.

Eighty-seven new training projects were approved between July 1, 2002 and June 30, 2003 (PY02). These projects represent \$7,463,141 in awards and \$60,890,119 in matching funds from participating employers. This investment will help train 5,062 incumbent workers with 6,994 expected outcomes:

- 1,808 Apprenticeships/skilled trades upgrade;
- 1,542 Certificates of Technical Achievement;
- 371 Associate or higher degrees; and;
- 3,273 Certifications/certificates.

In some cases, enrollees are pursuing more than one outcome.

During PY02, 129 active training projects assisted 6,193 workers. While many of these workers were still enrolled in training after the program year ended, 3,423 credentials were issued in the following areas:

- 1,671 Apprenticeships/skilled trades upgrade;
- 765 Certificates of Technical Achievement;
- 117 Associate or higher degrees; and;
- 870 Certifications/certificates.

Since 1999, \$32,080,276 has been awarded to 337 projects to train 26,337 Hoosier workers.

DWD collaborates with business and community leaders to identify strong training projects that will benefit the state, region, and local community. *Advance Indiana's* healthcare initiatives are one excellent example of this collaboration.

Like most other states, Indiana needs more Licensed Practical Nurses (LPN's), Registered Nurses (RN's), Radiology Technicians, Surgical Technicians and other specialized healthcare employees. Newly released data from the Labor Market Information (LMI) unit of DWD projects that Indiana will need 14,210 Registered Nurses and Licensed Practical and Vocational Nurses by 2010 simply to replace those leaving the workforce. In addition, Indiana is expected to create another 15,600 new nursing positions. The *Advance Indiana* Program has targeted health care training to address the needs of this industry.

The *Advance Indiana* Program awarded \$1,294,352 to approximately 27 private health care facilities to train 374 existing workers in health care occupations. Training results will include Licensed Practical Nurses, Associate Degrees in Nursing, Nuclear Medical Technicians, and Respiratory Therapists.

The healthcare project with the Indianapolis Private Industry Council (IPIC) illustrates how *Advance Indiana* training grants are making a difference in the healthcare community. DWD awarded \$199,747 to IPIC to provide training for skilled life science positions at Clarian and St. Francis Hospitals. This training will furnish participating employees with certifications or degrees in surgical technology, licensed practical nursing, registered nursing, radiographic technology, or surgical nursing over a two-year period. *"To be successful in our effort to promote central Indiana as a world leader in life sciences, we must have plenty of skilled professionals in nursing and other fields,"* Indianapolis Mayor Bart Peterson said. *"This grant will go a long way toward providing better training and education for our much needed life sciences workers."* Twenty-five workers are enrolled in training and are well on their way to earning their certifications.

The *Advance Indiana* Program has been extremely successful in improving the skills of Indiana's manufacturing workers. Seventy-nine percent of the awards and \$21,866,712 in funding have been awarded to Indiana manufacturers. The Delphi Delco training project in Kokomo exemplifies the type of training that has been done with *Advance Indiana* grants. Delphi Delco was awarded \$208,404 to train one hundred employees on advanced engineering tools and twenty employees on General Surface Mount platform electronic assembly equipment. Each participant will be awarded Certificates of Technical Achievement in Advanced Manufacturing. Rich Mince, Shop

Chairman, UAW Local 292 stated, *"UAW Local 292 is one of the best educated and trained workforces in the world. The accelerating technological changes in the workplace require constant skill enhancement and training to maintain a competitive edge. The Workforce Development grant enables our workforce to meet the standards necessary to meet the needs of an ever-changing environment."*

Future *Advance Indiana* training initiatives will include working to improve and diversify Indiana's economy. Indiana, like the rest of the nation, could not escape the effects of the national recession. This recession, and the 54,000 manufacturing jobs it has cost our state since 2001, demonstrated unequivocally the importance of our efforts to aggressively diversify Indiana's economy. The state has identified advanced manufacturing, life sciences, logistics (high-tech distribution), and information technologies as holding the most promise for revitalizing the state economy. For this reason, *Advance Indiana* will focus training dollars on individuals who work in these critical areas. This will include continued work with manufacturers and health care facilities, as well as, working with Indiana's substantial pharmaceutical and bio-medical industries, software development and fiber optics industries, and high-tech distribution.

In 2001, the Indiana General Assembly passed HB 1962, which provided funding for incumbent worker training. The main purpose of this program is to help create a world class workforce in Indiana through continuous improvement of the skill levels of Hoosier workers.

An Incumbent Worker Training (IWT) Board, which is appointed by the Governor, meets monthly to review applications for training funds. Once the IWT Board approves an application, it is sent to the UI Board for final approval. The goal of the IWT program is to increase wages for Hoosier workers, spur job growth, and establish career paths, while enhancing the overall growth of the economy thus benefiting all Hoosiers. For PY 2002, \$16,132,199 was received for training and counseling. As of December 31, 2003, \$8,325,295 was approved for the 55% Ivy Tech Fund allocation and \$6,053,338 was approved for the 45% DWD Fund allocation.

<b>HB 1962 ALLOCATIONS</b>			
<b>Ivy Tech (55% of available funds)</b>		<b>DWD (45% of available funds)</b>	
Building Trades	50%	Balance Available to Grant	90.8%
Industrial Trades	50%	Indiana Administration	9.2%

Linton WorkOne Center has a significant role in South Central, Indiana. The office has performed exceedingly well in all areas of service. So well, in fact, that it was named the most outstanding Work One Center in Indiana this past program year.

WorkOne has used technology to make services accessible to all citizens in the large rural area. The office helped establish a pilot program for filing new and continued claims over the Internet. They also established a web site, which includes general information on the local area, including job openings, plus links to other web sites. The web site is actively maintained and updated regularly and had over 27,747 visits in 2003. The web site averages about 2,300 visits per month, allowing staff to provide more resources to area residents. The office established and keeps an updated social service directory for Greene and Sullivan counties with over 250 listings. Copies of these directories have been given free of charge to over 100 schools, and agencies, etc. The directories are used daily by school counselors, ministers, case workers and township trustees.



Due to an increase in unemployment brought on by the national recession the Linton staff assisted 197 employers in Greene and Sullivan counties in finding qualified applicants. In addition, they worked over 529 job orders during the last program year. They also were responsible in assisting over 1,700 local people to find full and part time employment.

The unemployment insurance staff exceeded all Desired Levels of Achievement for unemployment standards, which included making timely first and continued payments and writing non-monetary determinations in a timely manner. They also received top marks on quality of all written non-monetary determinations on unemployment claims. Staff could have easily just stopped there, but they didn't. They helped other offices in the state reduce their workloads by assisting in entering claims, fact-finding, and writing separation and non-separation determination. In other words, they don't see their job duties confined to the local area. They want to help other offices and see the state exceed in its goals as well.

The Linton staff, in fact, are very giving overall. Over 70% of the permanent staff give to the SECC fund through regular payroll deductions to support local needs. In addition, staff have conducted silent auctions and paid to wear blue jeans in order to raise an additional \$400 for United Way. They have also raised money for additional causes such as American Cancer Society, Alzheimer's Memory Walk, Muscular Dystrophy, and Breast Cancer Awareness. Over the holidays, staff raised almost 550 pounds of canned goods for local food pantries. The office also serves as a drop off point for Civitans Toys for Tots program, and staff donated several dozen toys to the program last year.

Donating and cultivating solid partnerships allows the office to provide more resources. WIA, Vocational Rehabilitation, and Experience Works services are also available through the office. Unfortunately this area has experienced many dislocations and sometimes the tasks of getting Hoosiers back into the workforce at the same or better wage rate can be difficult. A good example of this was working with a dislocation from Woods Wire, Incorporated last December. Over 300 workers lost their jobs and were faced with a lack of skills, many of which were without high school diplomas. WorkOne Linton stepped in and provided jobs search workshops, resume assistance, and labor market information so that workers could make important life decisions. The employment counselor helped set up specialized Manufacturing readiness training to over 40 workers. During this training many participants were able to gain General Education Diplomas (GED's), in addition to receiving important Certificates of Achievement, while another 10 workers continued on in traditional classroom training, seeking Associates Degrees in career demand areas.

The Linton office has also made great efforts keeping in touch with the future workforce—students in area junior high and high schools. The faces of Linton staff are familiar at all area schools. Many times staff members can be found speaking to students about career choices, the local labor market, and seeking their first jobs. This past year staff established, and is maintaining, a career information area at Linton-Stockton High School. Jobs in career clusters are highlighted biweekly, along with wages job outlook, and other important information. In addition, each year staff participate in the Reality Store, which brings all eighth grade students from Greene County through a real-life version of working, paying taxes, bills, finding childcare, etc.

All of their efforts are paying off. Linton receives some of the highest customer satisfaction ratings in the state from employers and job seekers. This effort has helped the office to not only make, but exceed their performance standards year after year.

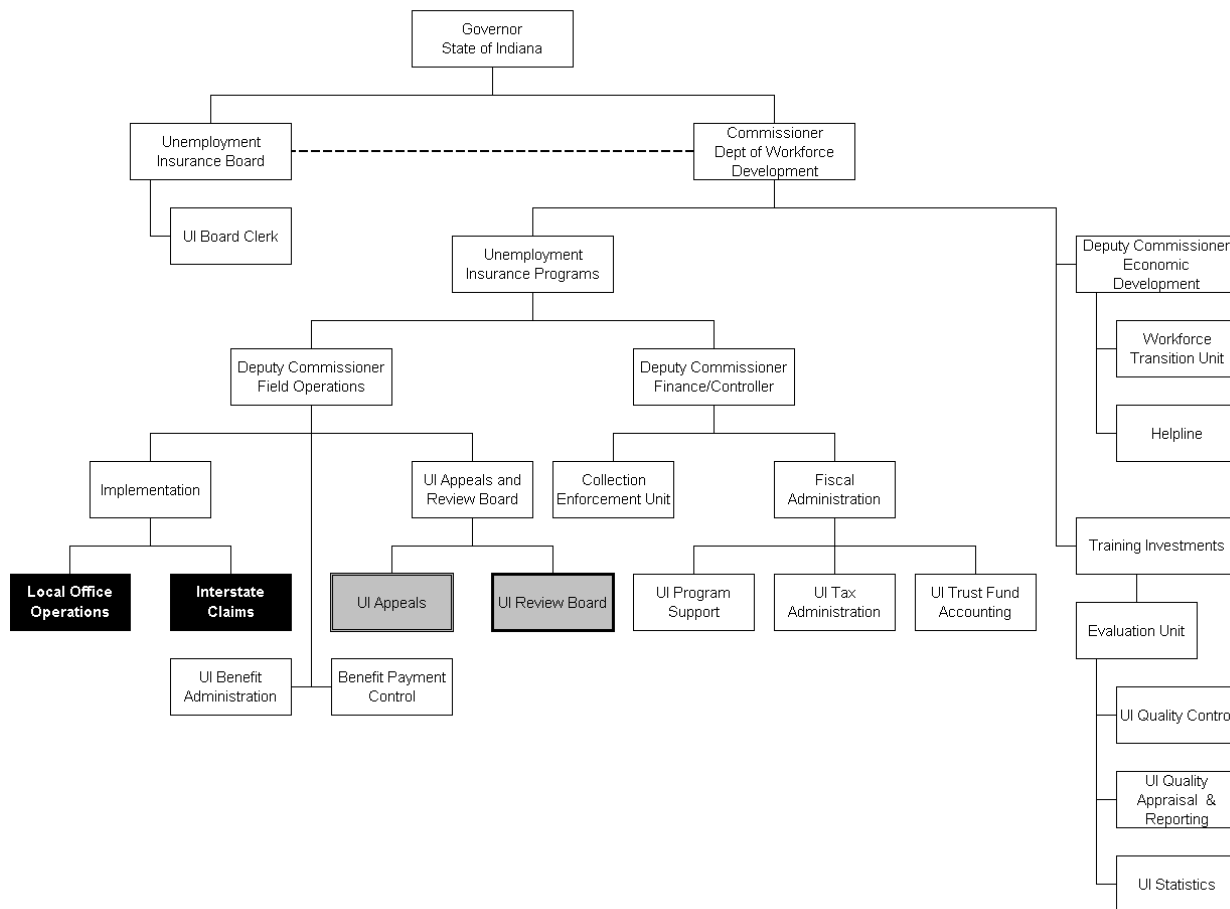
The dedication of this small office staff is amazing and all of the efforts are easily paid for with a small pat on the back, or smile from someone who has been experiencing difficulties. One advantage of being in a smaller, rural area is that staff is very empathetic to the needs of the community, and will not hesitate to go above and beyond regular job duties. Everyone takes their job seriously and always tries to provide the most efficient and effective means of delivering services to the citizens of Indiana. All of their efforts are paying off. Linton receives some of the highest customer satisfaction ratings in the state from their employers and job seekers. This effort has helped the office to not only make, but exceed their performance standards year after year.



Pictured Front Row, L to R: Nancy Karazsia, Heather Yung, Jennifer Hayden, Kelly Hayes  
Back Row, L to R: Bill Butler, Carol Lasiter, Lisa Judy, Mike Boulantger, Linda Eslinger, Beth Allen, Debra Shonk, Dawn Baxter and Dee Alexander.  
Missing: Paul Trampke



The Indiana Department of Workforce Development (DWD) is responsible for administering Unemployment Insurance (UI) services. Below is an organizational chart that shows UI services within DWD. Page 23, *The Road to Qualifying for UI Benefits* lists the steps to apply for and receive UI benefits. The table, *How Weekly Benefits are Calculated*, on page 26 describes the methodology used in determining the weekly benefit amount. A map of all offices offering full-time UI services is on page 27 and on page 28 are the addresses and telephone numbers of the offices.



■ Steps 1 through 7 are done at the Local Office or Interstate Office level.

▣ Appeal Option 1 is done at the UI Appeal level.

▣ Appeal Option 2 is done at the UI Review Board level.

**See the *Road to Qualifying for UI Benefits* (Page 23 ).**



### Apply for benefits

Must verify the social security number. Once this is done, the claim will **move on to step 2**. If not, hold claim for proper verification.



**Monetary/Non-monetary determinations** (*NOTE: All monetary and non-monetary determinations are subject to appeal by either the employer or claimant within a specified time period.*)

### Monetary determination

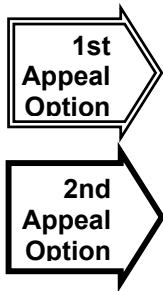
Claimant must:

- A. Earn \$2,750 in the base period, which is the first four (4) of the last five (5) quarters preceding the filing of the claim. **If this criteria is met, move to B. If not, the claim will be disqualified.**
- B. Earn \$1,650 in the last two (2) quarters of the base period. **If this criteria is met, move to C. If not, the claim will be disqualified.**
- C. Have total wages in the base period that exceed 1.25% of the wages in the highest quarter. **If this criteria is met, the claimant is monetarily eligible. If not, the claim will be disqualified.**

### Non-monetary determination

Did the claimant:

- A. Separate from his or her most recent employer through no fault of his or her own? **If yes, move to Step 3. If no see B.**
- B. Voluntarily quit without good cause in connection with the work, or was the claimant discharged for just cause from his or her separating employer? If so, the claimant may not be eligible for benefits until remuneration has been earned equal to the Weekly Benefit Amount (WBA) in each of the eight (8) weeks after the voluntary quit or discharge. **If the claimant requalifies by earning his or her WBA in each of the eight (8) weeks, the claim will proceed to Step 3 with a one-time reduction of 25% in the total claim amount.**



C. If the claimant is not eligible for unemployment benefits because DWD determined he or she quit without good cause or was discharged for just cause, the claimant may file an appeal with the Appellate Section of DWD.

D. If claimant does not win on appeal, he or she may file a second appeal with DWD's Review Board.



### Waiting Period

The first week of a claim is a waiting period with no payment. **Move on to Step 4.**



### Benefit Rights Interview (BRI)

BRI information will be provided to the claimant. This explains the claimant's rights and obligations. **Move on to Step 5.**



### Claimant Profiling

If the claimant is identified as likely to exhaust benefits, he or she will participate in profiling services, which may include orientation, assessment, job search workshop, referral to training, job referrals, job development, referral to supportive services, and counseling.

If not identified for profiling, **Move on to Step 6.**



### Register with Job Service/CS3

Within the first four (4) weeks after filing a claim, the claimant must register with DWD's Job Service/CS3. Benefits will be suspended until registration occurs. *Exceptions: Temporary layoffs with a definite recall or membership in a union hiring hall.* **Move on to Step 7.**



### **Weekly Reporting**

During each week of the claim, a claim voucher must be submitted to DWD that identifies that the claimant was:

1. Able to work,
2. Available to work, and
3. Seeking employment.

If the three (3) areas are met, the claimant will be eligible for benefits for the week. The claimant is not eligible for benefits if he or she is not able and available for work. However, if the claimant is partially available, benefits will be reduced by 33% for each day not available.

**Note: The claimant must accept suitable work if offered. If a suitable job is rejected, the claimant will not be eligible for benefits.**

Wage credits are quarterly wages earned in a base period. The maximum wage credit per quarter is \$7,900 for claims filed before July 1, 2003, and \$8,200 for claims filed after July 1, 2003.

The Weekly Benefit Amount (WBA) is the result of the following formula:

- 5% of the first \$2,000 of the highest quarterly wage credit
- + 4% of the remaining wage credit for that quarter

The maximum total benefit is the lower of:

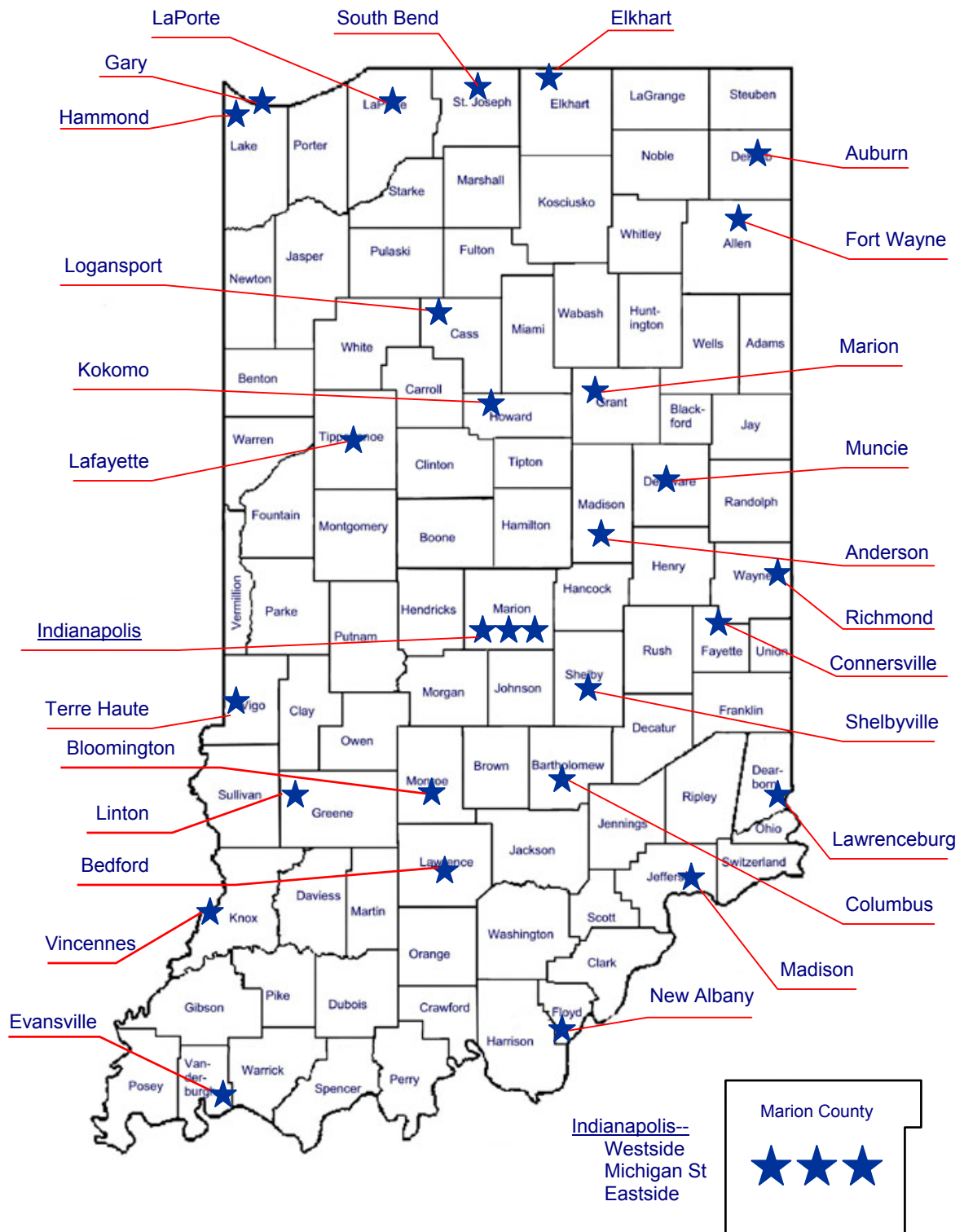
- a) 26 times the individual's WBA
- or-**
- b) 28% of the individual's wage credits

(NOTE: calculated figures are rounded down to the next lowest dollar.)

Base Period Quarters	Effective 07/01/02 to 06/30/03		Effective after 07/01/03	
1 <sup>st</sup> quarter credits	\$7,900		\$8,200	
2 <sup>nd</sup> quarter credits	\$7,900		\$8,200	
3 <sup>rd</sup> quarter credits	\$7,900		\$8,200	
4 <sup>th</sup> quarter credits	\$7,900		\$8,200	
Total wages	\$31,600		\$32,800	
Weekly benefit calculation	Wage Credit	Benefit	Wage Credit	Benefit
	\$7,900 =		\$8,200 =	
5% X the first \$2,000	\$2,000 =	\$100.00	\$2,000 =	\$100.00
4% X the remaining wages	\$5,900 =	\$236.00	\$6,200 =	\$248.00
= weekly benefit amount	=	\$336.00	=	\$348.00
Maximum benefit calculation X weekly benefit amount	= 26 X	336 = \$8,736	= 26 X	348 = \$9,048
<b>-or-</b>				
28% of the total wage credits	= .28 X	29,200 = \$8,848	= .28 X	31,600 = \$9,184
Lesser amount		= \$8,736		= \$9,048
Maximum benefits paid				
26 payments of 336 (before 07/01/03)		= \$8,736		
26 payments of 348 (after 07/01/03)				= \$9,048

# Unemployment Insurance Board 2002 – 2003 Annual Report

Offices Offering  
Full-Time UI Services



<u>Office</u>	<u>Address</u>	<u>Zip Code</u>	<u>Phone #</u>
Anderson .....	222 E 10 <sup>th</sup> St, Ste B .....	46016-1721 .....	765-642-4981
Auburn .....	936 W 15 <sup>th</sup> St .....	46706-2031 .....	260-925-0124
Bedford .....	918 16 <sup>th</sup> St, Ste 200 .....	47421-0040 .....	812-279-4400
Bloomington .....	450 Landmark Ave .....	47402-3000 .....	812-331-6000
Columbus .....	2320 Midway, Ste 3 .....	47202-3006 .....	812-376-3351
Connersville .....	200 W 5 <sup>th</sup> St .....	47331-1498 .....	765-825-3191
Elkhart .....	430 Waterfall Dr .....	46516-3696 .....	574-295-0105
Evansville .....	700 E Walnut .....	47713-2561 .....	812-424-4473
Fort Wayne .....	201 E Rudisell Blvd, Ste 202 .....	46806-1756 .....	260-745-3555
Gary .....	1776 W 37 <sup>th</sup> Ave .....	46409-0081 .....	219-981-1520
Hammond .....	6431 Columbia Ave .....	46320-0081 .....	219-933-8332
Indy-Eastside .....	2525 N Shadeland, C-3 .....	46219-1770 .....	317-358-4500
Indy-Michigan St .....	1635 W Michigan St .....	46222-3899 .....	317-524-4313
Indy-Westside .....	805 Beachway Dr, Ste 110 .....	46224-7785 .....	317-246-5400
Kokomo .....	709 S Reed Rd .....	46901-1371 .....	765-459-0571
Lafayette .....	2301 Concord Rd .....	47903-5529 .....	765-474-5411
LaPorte .....	300 Legacy Plaza West .....	46350-5276 .....	219-362-2175
Lawrenceburg .....	230 Mary Ave, Ste 100 .....	47025-0145 .....	812-537-1117
Linton .....	1600 NE "A" St .....	47441-0069 .....	812-847-4479
Logansport .....	2835 E Market St .....	46947-0017 .....	574-722-6652
Madison .....	620 Green Rd .....	47250-1078 .....	812-265-3734
Marion .....	850 N Miller Ave .....	46952-5002 .....	765-668-8911
Muncie .....	201 E Charles St .....	47308-7103 .....	765-289-1861
New Albany .....	3310 Grant Line Rd .....	47151-1287 .....	812-948-6102
Richmond .....	3771 S "A" St .....	47374-6053 .....	765-962-8591
Shelbyville .....	425 E Washington St .....	46176-1744 .....	317-392-3251
South Bend .....	851 S Marietta St .....	46618-3253 .....	574-237-9675
Terre Haute .....	30 N 8 <sup>th</sup> St .....	47807-3106 .....	812-234-6602
Vincennes .....	310 N 2 <sup>nd</sup> St .....	47591-0430 .....	812-882-8770

2003 was a demanding and challenging year for Unemployment Insurance (UI) Services. UI Services distributed \$944,396,877 in benefits to 287,524 unemployed Hoosier workers. This amount includes regular UI benefits, temporary extended unemployment compensation (TEUC), disaster unemployment assistance (DUA), unemployment compensation to former military (UCX), unemployment compensation to former federal employees (UCFE), and trade readjustment allowance (TRA) benefits. UI Tax Services collected over \$365,156,000 in taxes from 125,129 Indiana employers.

Average weekly wages for workers covered by UI have steadily increased from an average of \$508.46 in 1992 to \$639.70 in 2003. To keep pace with rising wages the leadership of the Indiana General Assembly and Governor O'Bannon raised the maximum benefit amount several times. In 1997, the average wage replacement rate was 35.8 percent, and at the end of June 2003, the replacement rate was 42.2 percent. Indiana ranked second in wage replacement when compared to other states in the Midwest (see Table 4), and twenty-second nationally.

**Table 4: Midwest Wages, Benefits, and Wage Replacement Rates  
June 30, 2003**

State	Average Weekly Wage	Average Weekly Benefit Amount	Wage Replacement Rate
Kentucky	\$589.36	\$247.95	42.3%
<b>Indiana</b>	<b>\$622.91</b>	<b>\$260.08</b>	<b>42.2%</b>
Wisconsin	\$621.84	\$248.38	40.2%
Ohio	\$652.55	\$250.78	38.5%
Michigan	\$730.34	\$290.04	39.9%
Illinois	\$759.50	\$280.53	37.0%
<b>US Average</b>	<b>\$697.70</b>	<b>\$260.55</b>	<b>37.6%</b>

Source: UI Data Summary 2nd Quarter 2003

A legislated reduction in UI tax rates took effect on January 1, 2002, which gave Indiana an average tax rate of 1.1 percent on \$7,000. The following table (Table 5) demonstrates that Indiana still has the lowest average tax in the Midwest.

**Table 5: Midwest Minimum, Average, and Maximum Annual Tax Rates**

State	Minimum Annual Tax Per Worker	Maximum Annual Tax Per Worker	Average Annual Tax Per Worker
<b>Indiana</b>	<b>\$7.00</b>	<b>\$ 378.00</b>	<b>\$ 84.00</b>
Ohio	\$9.00	\$ 585.00	\$144.00
Kentucky	-0-	\$ 720.00	\$176.00
Illinois	\$54.00	\$ 612.00	\$207.00
Wisconsin	-0-	\$1,024.00	\$200.00
Michigan	\$5.00	\$ 837.00	\$243.00

Source: DWD UI Statistics



In addition to these accomplishments, numerous improvements were made in the operation of the department. A major accomplishment has been the success of the UI Roundtable. Formed in October 2001, this dynamic workgroup consists of over forty (40) enthusiastic workers from a diverse mix of staff that include - executive team members, division directors, managers, and front-line staff. The UI Roundtable's mission is to:

- Improve communications and collaboration between all areas of UI.
- Proactively improve customer service and performance.
- During 2003, the UI Roundtable was directly responsible for many accomplishments. Some of them included:
  - Improved communication
  - Reduction in duplication of effort
  - Increased opportunities for leadership roles
  - Development of a strategic plan for handling backlogs
  - Improved instructions for filing vouchers online that included a list of frequently asked questions (FAQ)
  - Identified core training that will be mandatory for UI local office staff
- Other agency accomplishments include:
  - Reduced the time needed to determine accurate wage amounts and claimant benefit re-determinations by implementing an electronic wage investigation process.
  - Protected the citizens of Indiana from identity theft by removing social security numbers from all our documents.
  - DWD has implemented ISO 9001 and met compliance with five (5) pilot divisions of the agency.
  - By year's end, DWD has collected over \$365 million in Unemployment Insurance taxes.

- DWD implemented Domestic Violence Unemployment Insurance legislation, assisted state legislators with development and implementation of the program, and executing the program throughout the agency.
- Assisted workers impacted by plant closures and mass layoffs in making a successful transition from job loss back to employment in today's market. The agency responded to 129 plant closures and mass layoffs this year, the largest being the United Airlines Hub in Indianapolis and two large steel mills in northwest Indiana. In all, 140 meetings were held with employers and unions; 540 worker information sessions were coordinated for 24,400 workers; and 9 Labor Management Adjustment Committees were established.
- 45% of UI tax forms processed are now scanned by our vendor. This reduces keying time and gets information into the system faster allowing us to better serve employers.
- More than \$16 million in Worker Training Assessments were collected and made available to train incumbent workers.
- Achieved six (6) of the sixteen (16) Tier One Performance Measures as defined by the US Department of Labor.
- Completed 1,755 investigations of potential unemployment fraud.
- Established \$21,021,206 in overpayment of regular unemployment benefits.
- Established \$2,224,064 in overpayment of federal unemployment benefits (UCX, UCFE, and TEUC programs).

The Board holds to its position—made in prior *Reports*—that the following recommendations will improve the Unemployment Insurance system in Indiana and make it more equitable for its claimants:

**1. The Board recommends that the Indiana General Assembly take action in future legislative sessions to enact the following changes into law to improve the collection of delinquent liabilities:**

Collection of delinquent Unemployment Insurance (UI) taxes remains a primary concern of the Board. For a number of years, the Board has worked closely with the Indiana Department of Workforce Development (DWD) to develop strategies to identify and collect delinquent UI taxes. In 1990 the Board created the Collection Enforcement Unit (CEU) to rigorously pursue delinquent UI taxes. Although they have done an excellent job with the current tools available, it is the Board's opinion that current penalties allow some individuals and organizations to willfully avoid payment of their UI taxes. When benefits are owed to employees of these delinquent organizations and individuals, they are paid by the Trust Fund, and in effect, raise the tax rates of compliant employers. The Board finds that:

- Current tools available to DWD are not adequate to maximize the collection of delinquent liabilities.
- Indiana's current unemployment statutes are significantly weaker than statutes and remedies governing delinquent taxes due to the Indiana Department of Revenue.

In prior legislative sessions, some changes were made to address this issue that including providing access to UI information by state and local law enforcement officials. However, more should be done to strengthen the current laws. During 2003, \$2,530,901.05 was determined not collectible and subsequently written off pursuant to Indiana Code 22-4-20-1. While many of these write-offs are for companies who have legitimately gone out of business, more should be done to allow DWD to collect from those individuals and organizations who are trying to avoid payment of their taxes.

The Board supports the following amendments to current state statutes, which would significantly improve DWD's collection abilities. The proposed changes are:

- Allow DWD to work with various Indiana licensing agencies to prohibit the issue or renewal of an operating license to organizations that are owned and operated by the same individuals or corporate officers of organizations that are or have not been current in their unemployment insurance obligations.
  - Allow DWD rights equal to the Indiana Department of Revenue concerning the exchange and review of information contained in other agencies files that would enhance the department's collection and enforcement proceedings.
  - Mandate that the Secretary of State must require anyone requesting to form a new corporation, self proprietorship, LLC, etc. to furnish the Secretary of State with a form signed by the Commissioner of DWD stating that the entity has no Unemployment Tax Liability in the State of Indiana.
  - Mandate that an inter-agency information-sharing system be put into place, such that DWD is able to identify delinquent employers to other potentially interested State agencies, and in return, provides DWD with information (such as FEIN numbers) relevant to business entities who interact with other State agencies, for example, as contract partners or business license applicants.
- 2. The Board recommends that the Indiana General Assembly take action in future legislative sessions to support the proposals based on a 1996 report by Dr. Wayne Vroman:**

The Indiana Unemployment Insurance Board has supported Dr. Wayne Vroman's findings and proposals since his May 1996 study was released. The Business and Information Development Division of DWD has updated his calculations to reflect current law changes and more current statistics.

*"Most of the explanation for Indiana's low overall rate of benefit costs resides not in the level of weekly benefits, however, but in the low rate at which unemployed workers claim and receive benefits." (Wayne Vroman, The Urban Institute, May 1996.)*

- According to Dr. Vroman's study, Indiana had a lower rate of applications from individuals who became unemployed when compared with the US. From 1964 to 1994, Indiana's unemployed filed at 27% while the nation filed at 37%. From 1995 to 2003, about 31.4% of those who became unemployed in Indiana filed for unemployment compensation, whereas for the nation 37.8% of the unemployed filed.

- The 1996 study indicated that on average 65% of Indiana's claimants received a benefit payment. The national percentage at that time was 75%. 35% who filed were determined to be ineligible due to a monetary or non-monetary disqualification. This was attributed to the stringent requirements in Indiana's law. However, much progress has been made in reducing the stringency of the law. Between 1995 and 2002, of those filing claims in Indiana, 71.1% received a benefit payment compared to 73.5% nationally.

Significant changes to Indiana Code affecting benefit eligibility took effect July 1, 2002. These changes included:

- Adjudication of only the most recent employer for non-monetary determination.
- Deletion of the ten-week requirement regarding previously secured employment.

Of those filing claims during 2003, 74.4% of Indiana's claimants received a benefit payment, which was slightly lower than the national rate of 75.8%.

Indiana claimants who do qualify for benefits average fewer weeks of benefits than the national average. Dr. Vroman's study found that Indiana beneficiaries received an average of 10.5 weeks of benefits during the ten-year period 1985 to 1994 compared to a national average of 14.7 weeks.

Dr. Vroman's study suggested that a major reason for the relatively low duration of benefits is the 25% penalty for voluntary quits and discharges prior to the most recent separation. *"This penalizes laid-off claimants for earlier decisions having nothing to do with their current unemployment."* (Wayne Vroman, The Urban Institute, September 1996.)

Effective July 1, 2002, the 25% penalty for voluntary quits and discharges prior to the most recent separation were removed from the law. Currently only the most recent employment will be considered when determining eligibility for benefits. In 2003, the average duration in Indiana was 13.6 weeks, which was 20.6% lower than the national average of 16.4 weeks.

Although it is too soon to evaluate the long-term impact of this law change, other factors must be considered when analyzing Indiana's relatively low duration rate. Indiana's strong work ethic and skilled labor force, the state's economy relative to other states, and Indiana's UI laws contribute to the overall duration rate of Indiana's claimants. For example, Indiana—along with forty-three other states—calculates duration of benefits on previous earnings. This affects many

workers in Indiana with lower incomes who end up receiving less than twenty-six weeks of benefits. Indiana's minimum duration is seven plus weeks and it is the second lowest minimum in the nation.

Additionally, Indiana law does not allow workers to receive UI benefits during their first week of unemployment under any circumstances. This reduces benefits by one week for all workers except those who exhaust their benefits.

Other proposals recommend in the Dr. Vroman report, *Analysis of Unemployment Insurance Benefit Provisions in Indiana*, May 1996, and their impact on the Trust Fund are listed in the following table:

PROPOSED CHANGE	IMPACT ON THE TRUST FUND
1. Reduce the total earnings requirement from \$2,750 to \$2,000 and eliminate the last two-quarter requirements of \$1,650.	This would increase the number of claimants who would qualify. However, because these would be smaller claims, this would add less than 1% to the Trust Fund expenditures.
2. Increase the maximum creditable earnings to \$10,000.	This would produce substantially higher benefits for high-income claimants and has some logic in replacing higher lost income. It would add 3.6% in additional cost to the Trust Fund.
3. Create an alternative base period utilizing the most recent quarter earnings for claimants who do not qualify under current criteria.	This would increase the number of claimants eligible for benefits at an estimated cost of 1.6% to the Trust Fund.

The Board supports consideration of those proposals outlined by the Vroman report. If these changes were implemented, a significant number of additional claimants would qualify for benefits. More discussion and review should be conducted to fully understand the administrative impact of these changes on DWD, claimants, employers, and the Trust Fund. This is especially crucial in the development of an alternative base period.

**3. The Board supports the following recommendations that the Indiana General Assembly take action on the following recommendations:**

In July 1980, the National Commission on Unemployment Compensation made nine recommendations to the states. Below you will find each recommendation in bold, followed by Indiana's status on each recommendation:

- 1) Minimum qualifying requirement of at least 14 weeks but not more than 39 weeks for 26 weeks of benefits. No change.**

- 2) **Disqualification for misconduct limited to misconduct connected with work.** *22-4-15-6.1 passed in 1991 does limit the misconduct to work related misconduct.*
- 3) **Weekly benefit amount of not less than 50%, preferably 60%, of claimant's average weekly wage.** *For the twelve months preceding September 30, 2003, Indiana's benefit amount was on average 41.8% of the weekly wage.*
- 4) **Maximum of 66-2/3 statewide average weekly wage, with periodic adjustment to ensure a significant percentage (75-80%) have a 50% wage replacement rate.** *If Indiana adopted this recommendation the maximum benefit amount would be \$417.43. Presently, Indiana's maximum benefit is \$348, a difference of \$69.43.*
- 5) **Partial benefit formula that provides strong incentives to accept part-time work.** *Under 22-4-5-1(b) the claimant can get non-base period employer wages amounting to 20% of the weekly benefit amount.*
- 6) **No disqualification for voluntary leaving with good cause, including compelling family obligations and sexual harassment.** *There is a good cause exception, but it does not explicitly include family obligations or sexual harassment.*
- 7) **No reemployment and earnings requirement for any disqualifying act.** *Still need eight weeks of employment at qualifying wage level.*
- 8) **Disqualification for discharge for misconduct, refusal of work, and voluntary quit should be for a variable number of weeks depending on seriousness of the action.** *No existing law—still eight weeks regardless of severity—except for greater disqualification arising from gross misconduct.*
- 9) **No specific “actively seeking work” availability requirement.** *No change.*

The UI Board encourages all efforts to make Indiana's Unemployment Insurance system more efficient, equitable, and user friendly. Therefore, the Board supports the following agency goals, which are designed to increase customer satisfaction and improve UI services to the citizens of Indiana:

- Improve the timeliness of non-monetary determinations and appellate decisions.
- Increase collaboration between the UI Roundtable and UI services to identify and remove all barriers to effective communication.
- Integrate case management and imaging systems in UI Tax, to improve customer service by enabling staff to respond to employer inquiries in an accurate and timely manner.
- DWD plans to implement ISO 9001 in six (6) additional divisions in 2004.
- Increase scanable UC-1 forms enabling lockbox vendor to create electronic and receipt files reducing the quarterly data entry by fifteen percent (15%) from previous year and eliminating data entry errors.
- Develop a method for paying benefits electronically utilizing direct deposit.
- Create an electronic application for filing mass-layoff claims that includes easy handling of holiday and vacation pay issues.
- Complete review of all UI documents to ensure that they are written in easy-to-understand language.
- Utilize all available methods of detection to reduce the amount of overpayments.



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# Unemployment Insurance Board 2002 – 2003 Annual Report

## Unemployment Statistics: Key Unemployment Facts for Indiana and Neighboring States

DESCRIPTION	Indiana	Illinois	Kentucky	Michigan	Ohio	Wisconsin	US
Population (000's) <sup>1</sup>	6,196	12,654	4,118	10,080	11,436	5,472	290,810
Civilian Labor Force (000's) <sup>2</sup>	3,184	6,376	1,976	5,036	5,850	3,062	145,733
Ranking <sup>2</sup>	14	5	26	8	7	15	N/A
2Q03 Unemployment Rate <sup>2</sup>	4.8%	6.2%	5.7%	6.8%	6.2%	5.5%	6.1%
<b>UI TAXES</b>							
Taxable Wage Base <sup>2</sup>	\$7,000	\$9,000	\$8,000	\$9,000	\$9,000	\$10,500	\$10,627
Base Employer Rate <sup>3</sup>	2.7%	3.3%	2.7%	2.7%	2.7%	2.7%	N/A
Employer Surcharge <sup>3</sup>	0.09%	0.60%	N/A	0.00%	up to 0.2% plus additional % determined by formula	0.03%	N/A
Surcharge Reason <sup>3</sup>	Training	Solvency	N/A	if applicable, interest on fed advances	Solvency	Solvency/UI Modernization	N/A
2003 Minimum Tax Rate <sup>3</sup>	0.1%	0.6%*	0.0%	0.06%	0.1%	0.0%	N/A
2003 Maximum Tax Rate <sup>3</sup>	5.40%	6.80%	9.00%	9.30%	6.50%	9.75%	N/A
2003 Average UI Tax Rate (taxable wages) <sup>2</sup>	1.2%	2.3%	2.2%	2.7%	1.6%	1.9%	1.8%
2003 Average UI Tax Rate (total wages) <sup>2</sup>	0.3%	0.6%	0.7%	0.7%	0.5%	0.6%	0.5%
Base New Employer Tax Per Worker <sup>4</sup>	\$189	\$297	\$216	\$243	\$243	\$284	N/A
Minimum Tax Per Worker <sup>4</sup>	\$7	\$54*	\$0	\$5	\$9	\$0	N/A
Maximum Tax Per Worker <sup>4</sup>	\$378	\$612	\$720	\$837	\$585	\$1,024	N/A
Average Tax Per Worker <sup>4</sup>	\$84	\$207	\$176	\$243	\$144	\$200	N/A
Trust Fund Balance (millions) <sup>2</sup>	\$972	\$97	\$426	\$1,738	\$1,221	\$1,063	\$30,254
Months in Trust Fund <sup>5</sup>	16.6	0.5	10.7	10.8	11.0	13.0	8.7
<b>UI BENEFITS</b>							
Minimum Base Period Wages Required <sup>3</sup>	\$2,750	\$1,600	\$1,500	\$2,997	\$3,380	\$1,470	N/A
Minimum Weekly Benefit <sup>3</sup>	\$50	\$51	\$45	\$81	\$88	\$49	N/A
Maximum Weekly Benefit <sup>3</sup>	\$336	\$331-\$438	\$341	\$362	\$315-\$424	\$329	N/A
Average Weekly Wage (last 12 months) <sup>3</sup>	\$622.91	\$759.50	\$589.36	\$730.34	\$652.55	\$621.84	\$697.70
Ranking <sup>3</sup>	27	8	33	10	21	28	N/A
Average Weekly Benefit (last 12 months) <sup>3</sup>	\$260.08	\$280.53	\$247.95	\$290.04	\$250.78	\$248.38	\$260.55
Average Claim Benefit <sup>3</sup>	\$3,354	\$5,304	\$3,456	\$4,080	\$3,802	\$3,060	\$4,096
Replacement Rate (benefit/wage) <sup>3</sup>	42.2	37.0	42.3	39.9	38.5	40.2	37.6
Average UI Compensation Duration (last 12 months) <sup>3</sup>	13.3	18.9	14.5	14.4	15.4	13.6	16.1
Ranking <sup>3</sup>	48	4	37	38	26	44	N/A

\* Illinois' minimum tax includes a .4% solvency tax.

### Data Sources

<sup>1</sup> July 1, 2003 US Census

<sup>2</sup> 2Q03 UI Data Summary

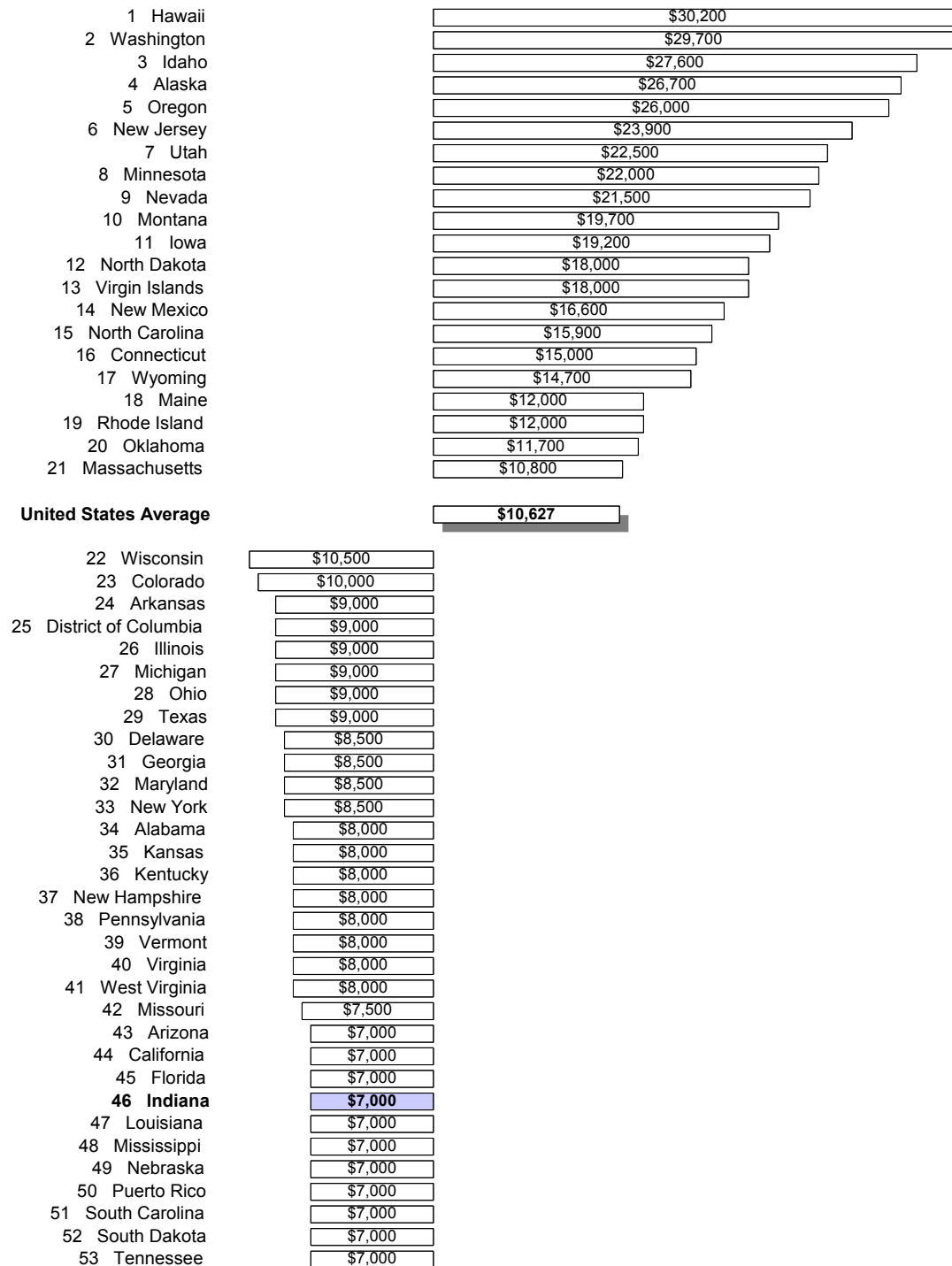
<sup>3</sup> 2003 NFCU Report

<sup>4</sup> Calculated

<sup>5</sup> US Dept of Labor/Employment & Training Administration

Unemployment Statistics:  
Comparison of Taxable  
Wage Bases

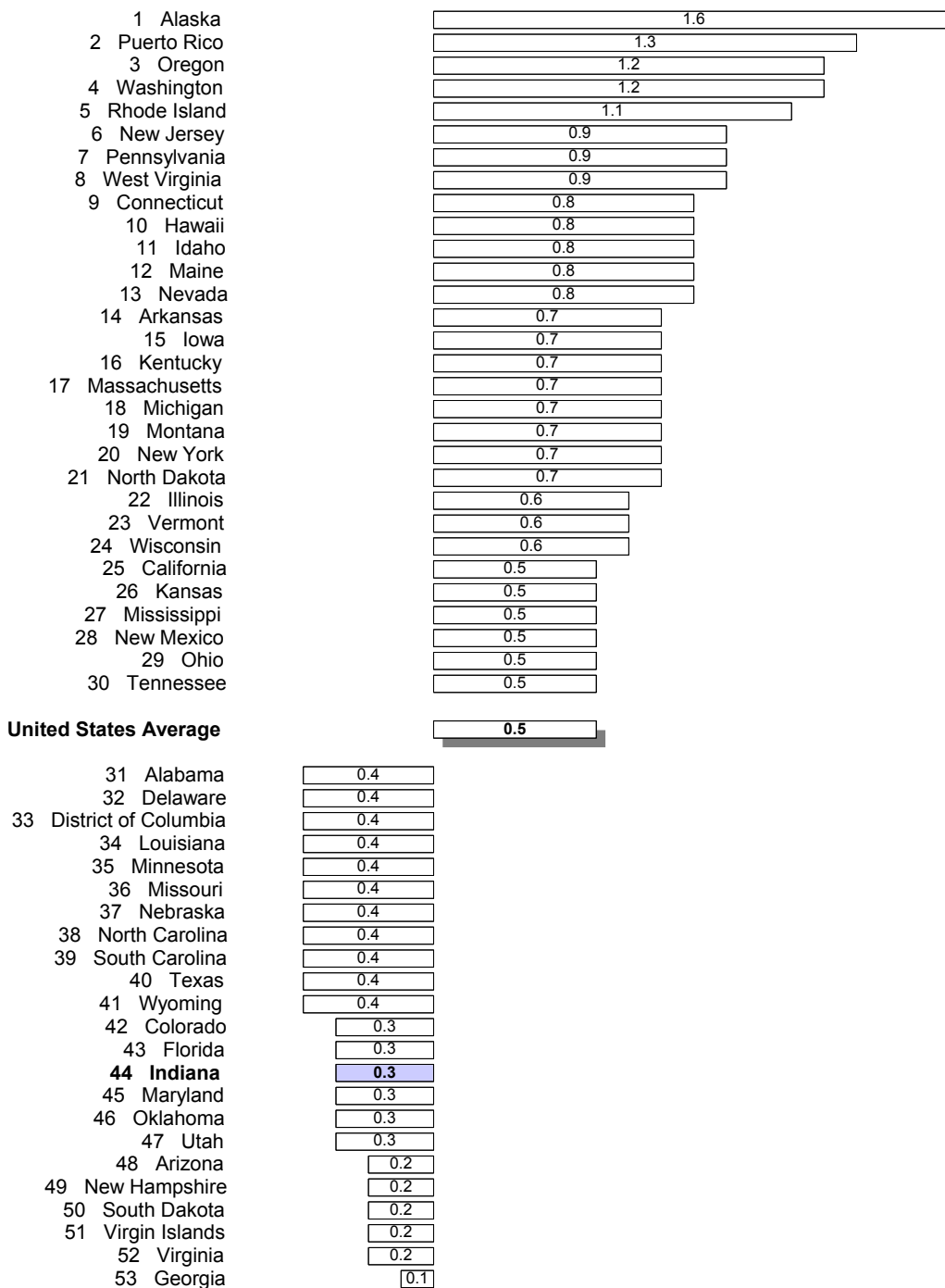
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Source: 2<sup>nd</sup> Quarter 2003 UI Data Summary

# Unemployment Insurance Board 2002 – 2003 Annual Report

## Unemployment Statistics: Comparison of Average UI Tax Rate of Total Wages



Source: 2<sup>nd</sup> Quarter 2003 UI Data Summary

Unemployment Statistics:  
Comparison of Average Weekly  
Wages (AWW)

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1 District of Columbia	\$1,033.97
2 Connecticut	\$900.27
3 New York	\$886.03
4 New Jersey	\$866.39
5 Massachusetts	\$861.88
6 California	\$792.47
7 Delaware	\$760.97
8 Illinois	\$759.50
9 Maryland	\$731.52
10 Michigan	\$730.34
11 Washington	\$728.99
12 Colorado	\$723.98
13 Minnesota	\$717.54
<b>United States Average</b>	<b>\$697.70</b>
14 Virginia	\$697.12
15 Alaska	\$693.70
16 New Hampshire	\$691.90
17 Texas	\$691.78
18 Pennsylvania	\$683.18
19 Georgia	\$679.77
20 Rhode Island	\$659.55
21 Ohio	\$652.55
22 Nevada	\$649.08
23 Arizona	\$648.33
24 Oregon	\$641.80
25 Missouri	\$631.01
26 North Carolina	\$624.17
<b>27 Indiana</b>	<b>\$622.91</b>
28 Wisconsin	\$621.84
29 Tennessee	\$618.24
30 Florida	\$616.96
31 Hawaii	\$608.05
32 Vermont	\$590.36
33 Kentucky	\$589.36
34 Alabama	\$587.06
35 Kansas	\$586.51
36 Utah	\$577.85
37 Virgin Islands	\$576.10
38 Louisiana	\$572.53
39 South Carolina	\$571.63
40 Iowa	\$566.50
41 Maine	\$562.72
42 Nebraska	\$561.21
43 New Mexico	\$549.59
44 Wyoming	\$548.54
45 Oklahoma	\$538.24
46 West Virginia	\$537.52
47 Idaho	\$534.33
48 Arkansas	\$533.28
49 Mississippi	\$503.72
50 North Dakota	\$502.93
51 South Dakota	\$497.15
52 Montana	\$486.98
53 Puerto Rico	\$388.91

Source: 2<sup>nd</sup> Quarter 2003 UI Data Summary

# Unemployment Insurance Board 2002 – 2003 Annual Report

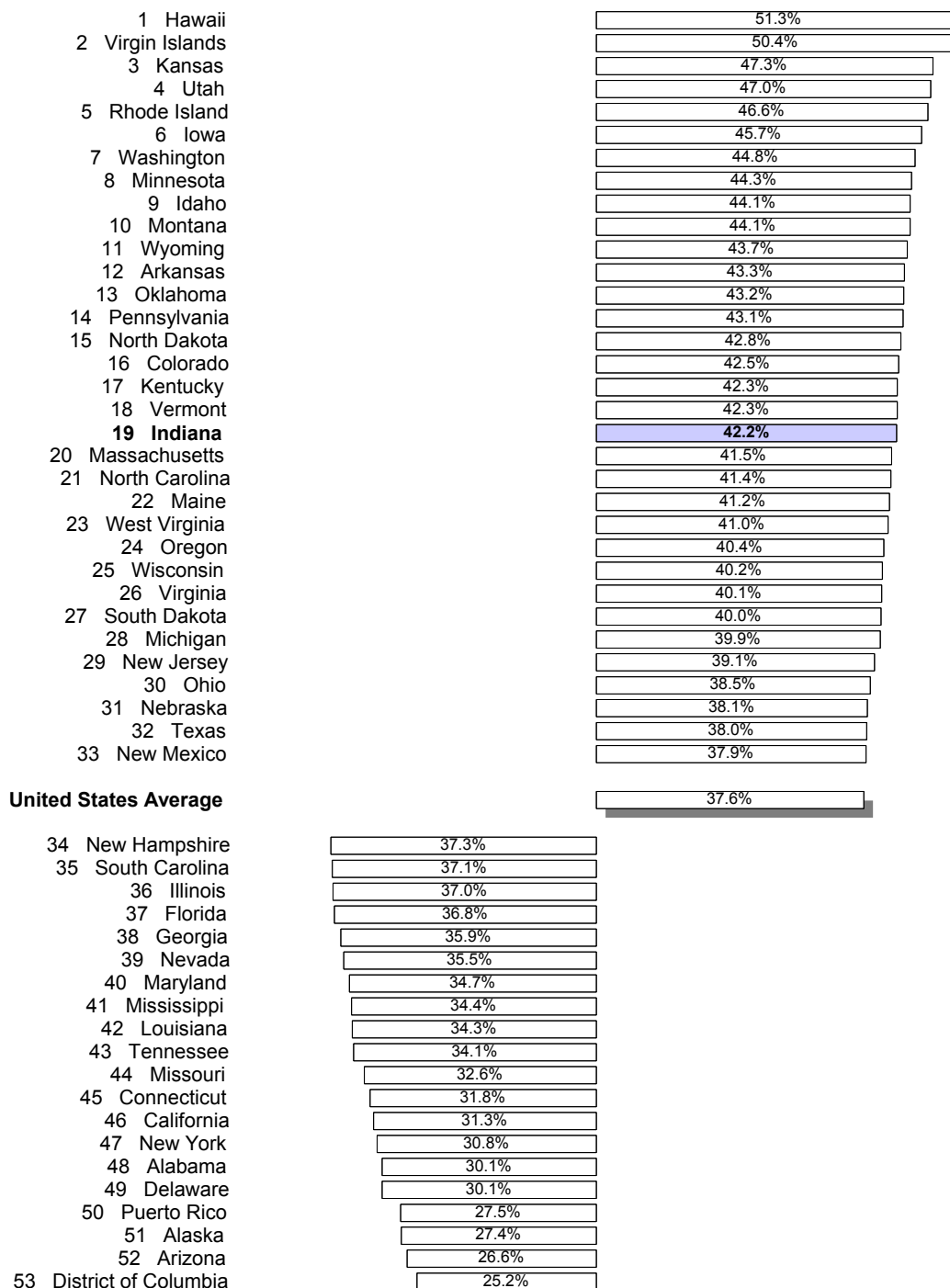
## Unemployment Statistics: Comparison of Average Weekly Benefit Amounts (AWBA)

1	Massachusetts	\$360.21
2	New Jersey	\$334.23
3	Washington	\$326.69
4	Minnesota	\$321.50
5	Colorado	\$311.31
6	Rhode Island	\$306.54
7	Hawaii	\$305.14
8	Virginia	\$299.40
9	Virgin Islands	\$299.18
10	Pennsylvania	\$291.10
11	Michigan	\$290.04
12	Connecticut	\$288.67
13	Illinois	\$280.53
14	Kansas	\$276.32
15	New York	\$273.56
16	Utah	\$272.18
17	Oregon	\$269.61
18	District of Columbia	\$264.59
19	New Hampshire	\$263.01
<b>United States Average</b>		<b>\$260.55</b>
20	<b>Indiana</b>	<b>\$260.08</b>
21	Texas	\$259.83
22	North Carolina	\$259.16
23	Iowa	\$258.72
24	Vermont	\$256.27
25	Ohio	\$250.78
26	Wisconsin	\$248.38
27	Kentucky	\$247.95
28	Maryland	\$245.15
29	Georgia	\$241.62
30	Wyoming	\$237.75
31	California	\$236.26
32	Oklahoma	\$232.91
33	Nevada	\$232.86
34	Idaho	\$230.98
35	Delaware	\$229.83
36	Maine	\$228.43
37	Arkansas	\$227.10
38	Florida	\$225.29
39	North Dakota	\$221.38
40	West Virginia	\$217.97
41	Nebraska	\$214.13
42	Tennessee	\$209.58
43	New Mexico	\$209.42
44	South Carolina	\$208.65
45	Missouri	\$205.72
46	South Dakota	\$200.32
47	Louisiana	\$196.10
48	Montana	\$195.43
49	Alaska	\$193.66
50	Arizona	\$174.59
51	Alabama	\$172.65
52	Mississippi	\$171.43
53	Puerto Rico	\$106.67

Source: 2<sup>nd</sup> Quarter 2003 UI Data Summary

Unemployment Statistics:  
Comparison of AWBA as  
Percentage of AWW

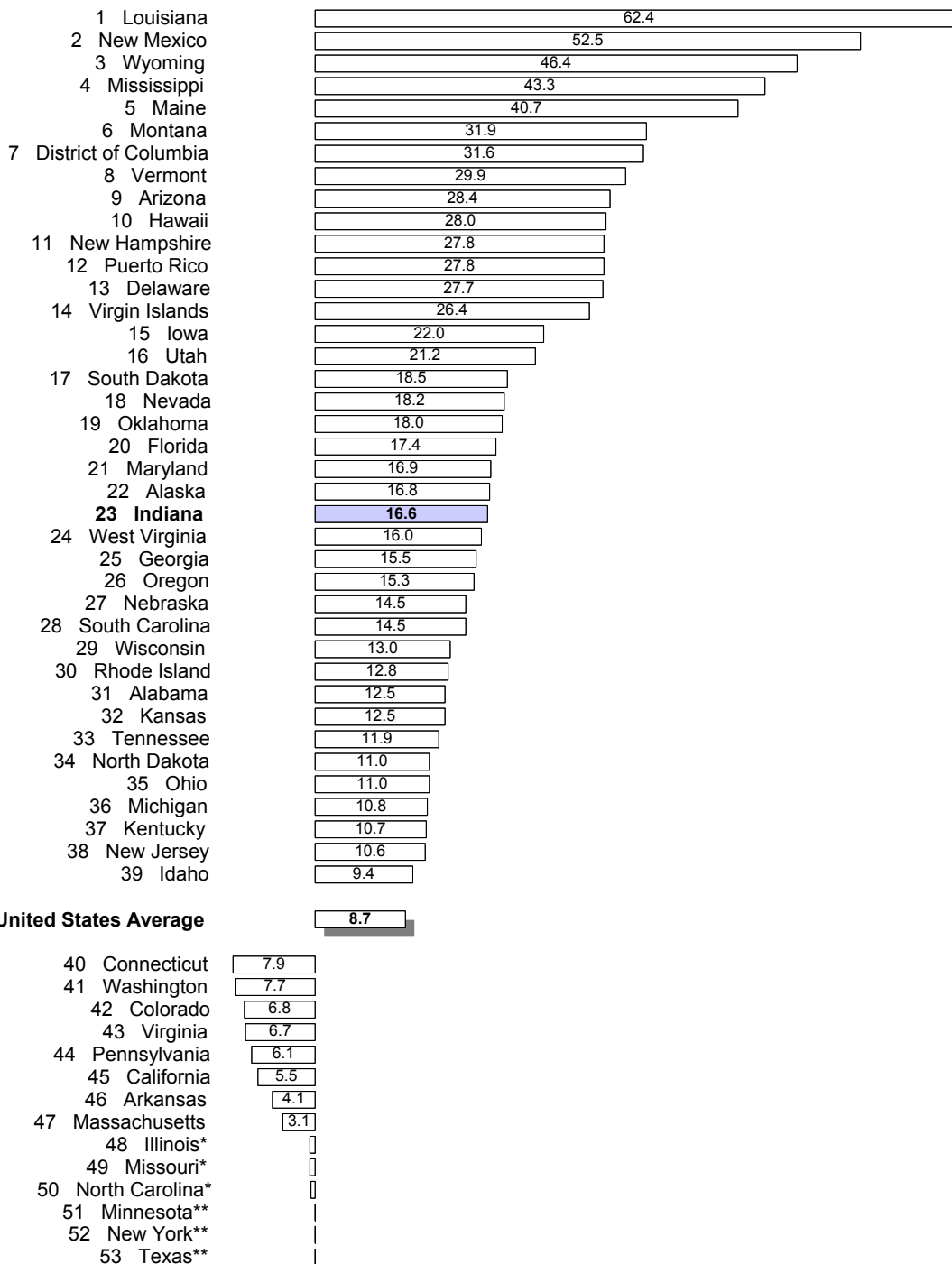
Unemployment Insurance Board  
2002 – 2003 Annual Report



Source: 2<sup>nd</sup> Quarter 2003 UI Data Summary

# Unemployment Insurance Board 2002 – 2003 Annual Report

## Unemployment Statistics: Comparison of Months of Benefits in Trust Funds



\* These states had less than one month in their Trust Fund.

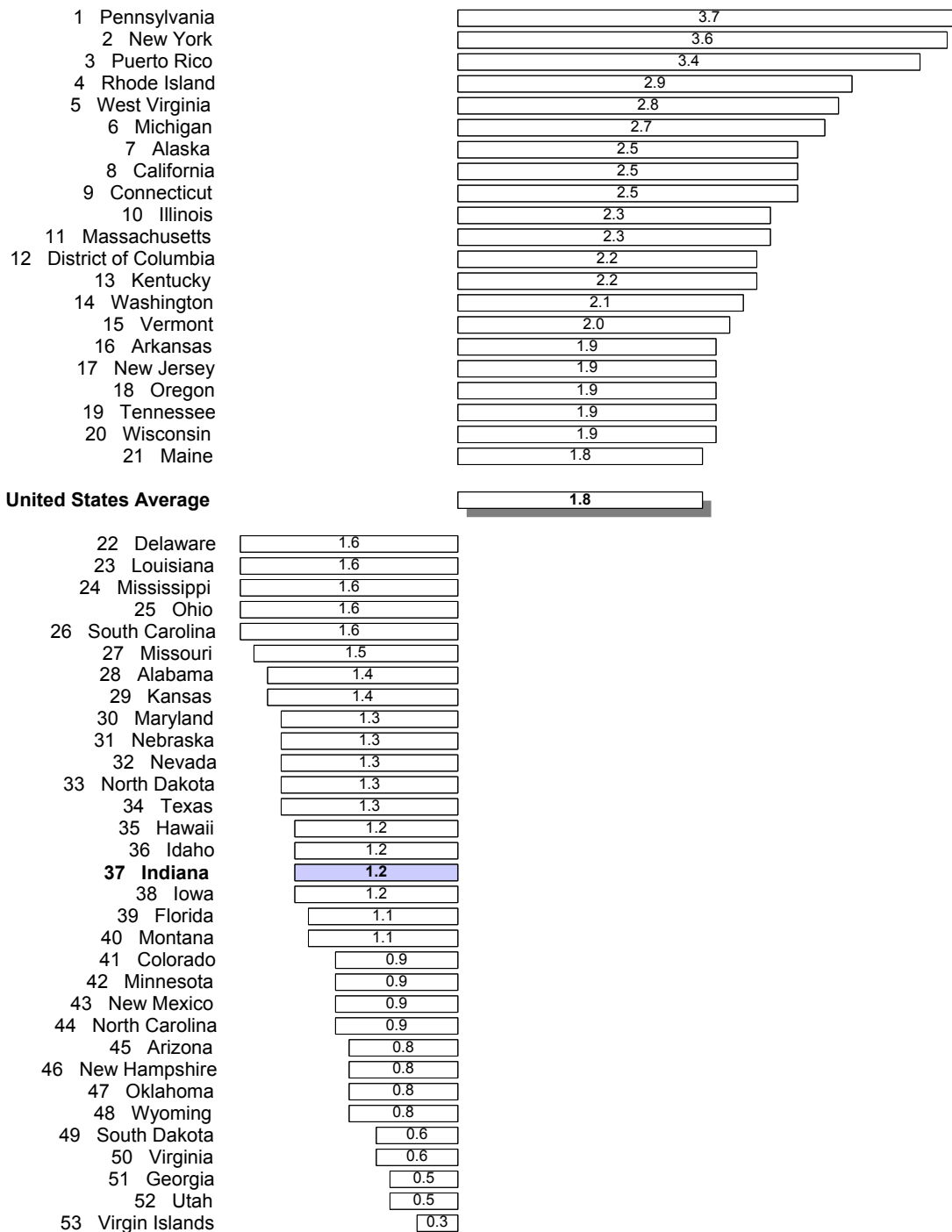
\*\* These states borrowed money.

Source: 2<sup>nd</sup> Quarter 2003 UI Data Summary



Unemployment Statistics:  
Comparison of Average  
UI Tax Rate of Taxable Wages

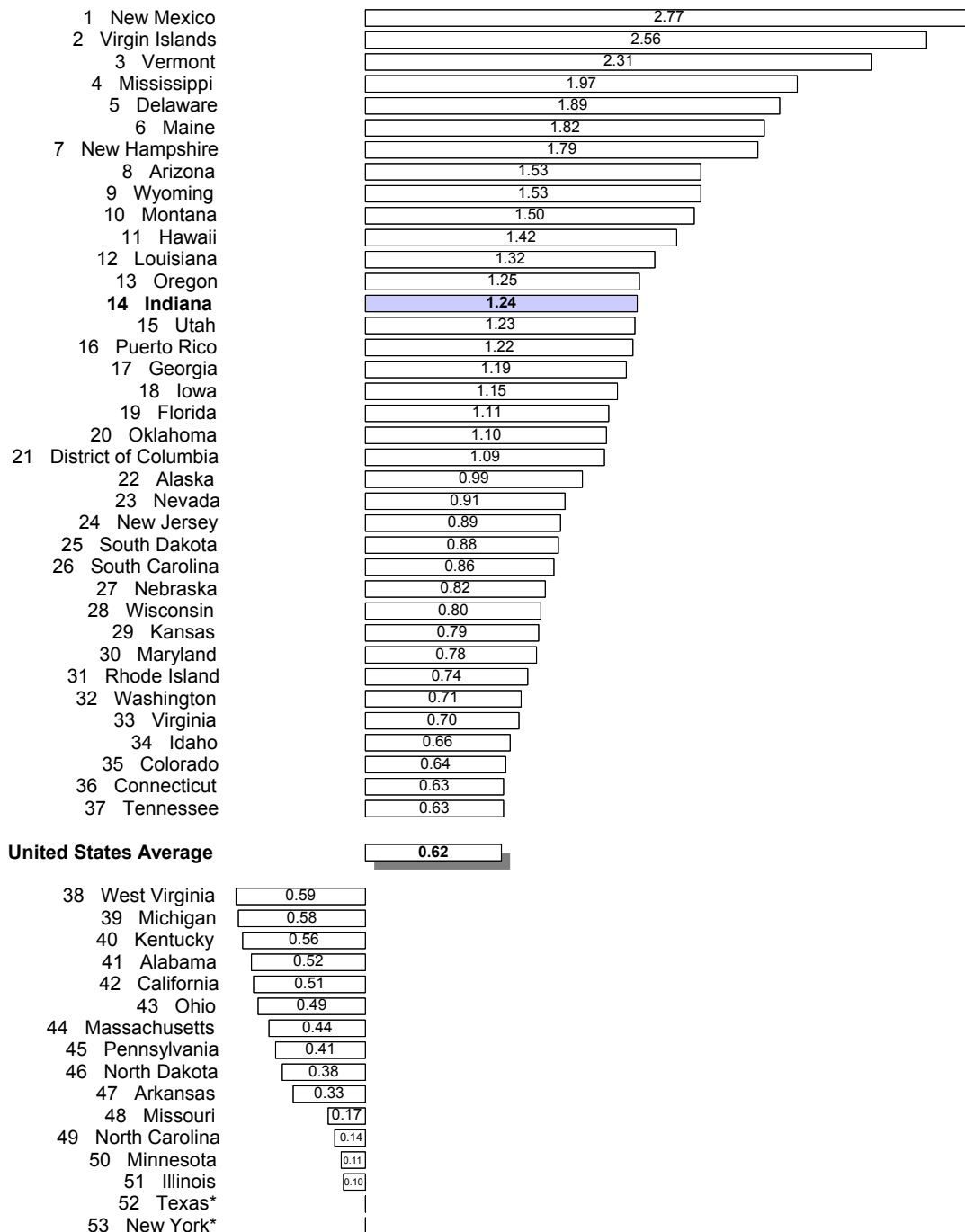
Unemployment Insurance Board  
2002 – 2003 Annual Report



Source: 2<sup>nd</sup> Quarter 2003 UI Data Summary

# Unemployment Insurance Board 2002 – 2003 Annual Report

## Unemployment Statistics: Comparison of Average High Cost Multiple (AHCM)



\* These states had negative values.

Source: 2<sup>nd</sup> Quarter 2003 UI Data Summary

Historical Data:  
Selected Tax Data  
(Calendar Year Comparisons)

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SELECTED TAX DATA	2003	2002	2001	2000	1999
Number of Employers	125,129	124,673	125,119	124,654	123,620
Tax-Paying Employers	123,007	122,530	122,994	122,545	121,537
Total Wages (billions)	\$ 75.839 **	\$ 74.925	\$ 74.573	\$ 75.004	\$ 72.070
Taxable Wages (billions)	\$ 18.336 **	\$ 18.555	\$ 18.876	\$ 19.528	\$ 18.875
Number of Employees (millions)	2.28 **	2.29	2.33	2.40	2.38
Average Weekly Wage	\$ 639.70 **	\$ 629.20	\$ 615.00	\$ 600.59	\$ 582.44
Reimbursable Employers	2,122	2,143	2,125	2,109	2,083
Total Wages (billions)	\$ 16.124 **	\$ 15.633	\$ 14.938	\$ 14.270	\$ 13.475
Number of Employees (millions)	517,300 **	507,462	499,173	491,675	484,106
Average Weekly Wage	\$ 599.41 **	\$ 592.43	\$ 575.00	\$ 558.14	\$ 535.30
Total Tax Dollars Collected (millions)	\$ 365.156	\$ 256.044	\$ 230.727	\$ 294.706	\$ 283.073
Total Tax Dollars Delinquent (millions)	\$ 24.621	\$ 21.356	\$ 15.226	\$ 22.189	\$ 23.495
Taxable (millions)	\$ 22.347	\$ 19.237	\$ 13.574	\$ 21.427	\$ 22.901
Reimbursable (millions)	\$ 2.274	\$ 2.119	\$ 16.520	\$ 0.762	\$ 0.594
New Accounts	16,999	17,198	17,835	18,462	18,153
New Establishments	13,452	13,530	13,903	14,112	13,515
Successors	3,547	3,668	3,932	4,350	4,638
Wage records (millions)	13,487	13,467	13,878	11,147	13,901
Quarterly Returns Mailed	501,052	502,191	501,743	500,154	500,907
Quarterly Returns Processed	489,914	490,058	487,332	446,931	431,121
Tax Assistance Calls (incoming)*	82,941	91,445***	71,699	75,984 ~	61,994
Federal Certifications	5,880	5,344	4,957	6,272	3,972
Recalculations	3,586	3,808	3,574	2,729	2,331
Tax Adjustments	25,572	23,588	21,478	21,589~~	
Total Audits Completed	3,194	2,983	2,960	3,064	2,978
Large Employer Audits	49	56	42	43	50
Additional Tax Dollars Collected from Audits	\$ 773,829	\$ 686,738	\$ 522,750	\$ 489,519	\$ 241,493
Trust Fund Balance as of 12/31 (billions)	\$ 0.758	\$ 1.124	\$ 1.326	\$ 1.579	\$ 1.494
# of Months of Benefits in Trust Fund (12/31)	12.2	19.4	27.5	64.2	70.2

~ Change due to implementation of aspect phone system. Report includes secondary phone lines and internal transfers.

\*\* Estimated by LMI based on first two quarters of 2003.

~~ Change due to implementation of Reimbursable Assets and increase in adjustments from employer service companies.

\*\*\* Tax Assistance Calls includes calls for HB1962 implemented in May 2002.

# Unemployment Insurance Board 2002 – 2003 Annual Report

## Historical Data: Selected Benefit Data (Calendar Year Comparisons)

SELECTED BENEFIT DATA	2003	2002	2001	2000	1999
Initial Claims Filed	458,020	411,387	439,965	319,225	247,690
New Claims Filed	288,315	264,073	279,717	202,625	161,711
Monetary Determinations (% ineligible)	11%	11%	8%	10%	11%
Weeks Claimed Filed (millions)	3.342	3.237	2.864	1.660	1.483
Weeks Paid (millions)	2.915	2.834	2.446	1.393	1.271
Number of First Pays	213,948	199,869	208,403	130,537	112,436
Amount Paid*(millions)	\$944.40	\$872.74	\$612.10	\$316.87	\$274.18
Number of Claimants Paid*	287,524	272,554	242,978	151,519	135,438
Average Number of Weeks Paid (UI)	13.6	14.1	11.7	10.7	11.3
Average Weekly Benefit Amount (UI)	\$ 263.48	\$ 254.58	\$ 243.98	\$ 222.19	\$ 210.31
Maximum Weekly Benefit Amount	\$ 348.00 **	\$ 336.00 **	\$ 312.00 **	\$ 288.00 **	\$ 252.00 **
Non-Monetary Determinations	141,699	136,140	193,097	164,866	147,628
Non-Mon Denials	86,939	78,928	117,567	101,389	91,813
Percent Denied	61%	58%	61%	61%	62%
Separation Issues (UI)	92,816	86,743	141,446	128,715	112,183
Percent Denied	45%	46%	52%	55%	55%
Non-Separation Issues (UI)	48,198	48,754	51,047	35,072	35,038
Percent Denied	77%	78%	84%	85%	87%
Appellate Decisions	29,350	26,097	33,424	22,752	23,157
Non-Mon Reversals (UI)	10,633	9,874	12,211	8,220	7,832
Percent Reversed	36%	38%	37%	36%	34%
Claimant Decisions (UI)	16,633	14,313	18,044	13,012	14,660
Percent Reversed Claimants Favor	34%	36%	34%	32%	29%
Employer Decisions (UI)	12,505	11,258	13,888	8,558	8,210
Percent Reversed Employers Favor	40%	41%	42%	43%	43%
Review Board Decisions	2,161	3,003	2,900	2,174	2,451
Decisions that Reverse Appellate (UI)	112	84	132	129	222
Percent Reversed	5%	3%	5%	6%	9%
Claimant Decisions (UI)	1,344	1,951	1,927	1,434	1,641
Percent Reversed Claimants Favor	6%	3%	4%	5%	9%
Employer Decisions (UI)	814	1,045	969	731	807
Percent Reversed Employers Favor	4%	2%	5%	7%	9%

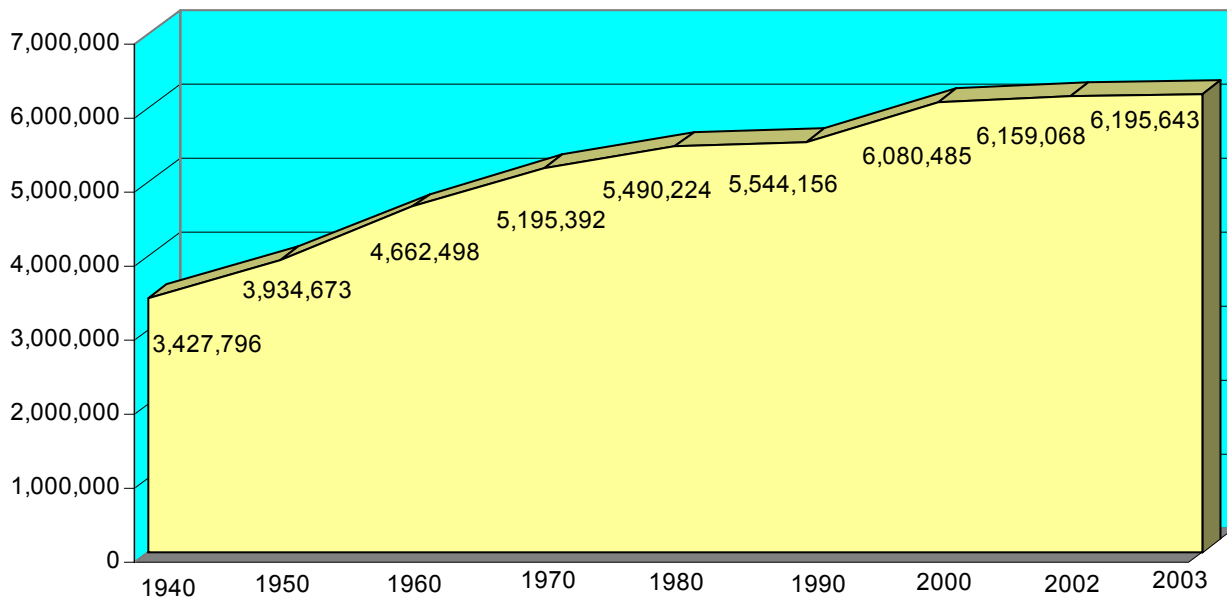
Regular and TEUC Programs – UI, UCFE, and UCX unless indicated.

\* Regular, TEUC, TRA, and DUA.

\*\* Amount increased in July.

YEAR	POPULATION	NUMERICAL CHANGE	PERCENTAGE CHANGE
1940	3,427,796	N/A	N/A
1950	3,934,673	506,877	14.8%
1960	4,662,498	727,825	18.5%
1970	5,195,392	532,894	11.4%
1980	5,490,224	294,832	5.7%
1990	5,544,156	53,932	1.0%
2000	6,080,485	536,329	9.7%
2002	6,159,068	78,583	1.3%
2003	6,195,643	36,575	0.6%

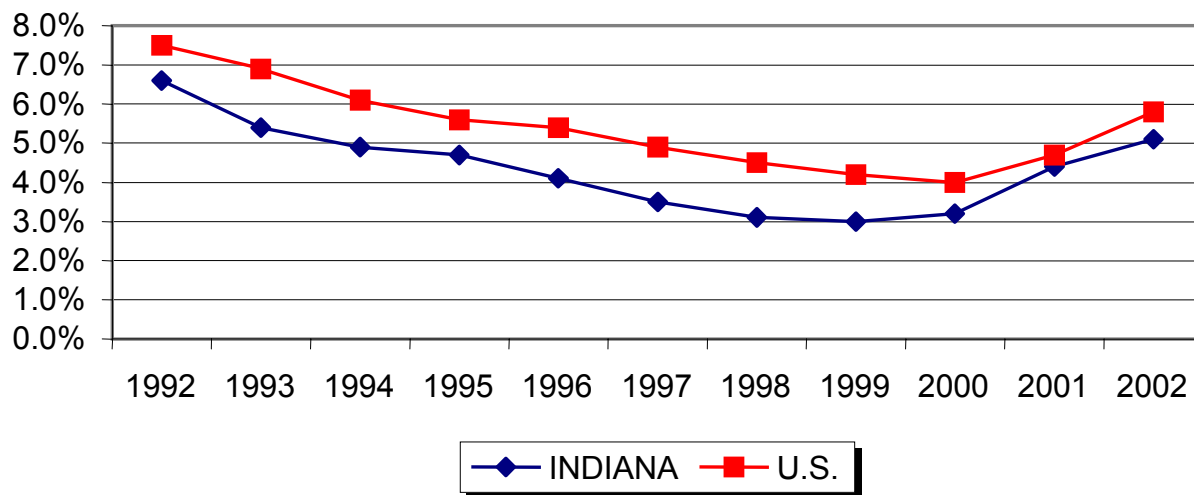
INDIANA POPULATION TO 2003



**State of Indiana Labor Force**

<b>YEAR</b>	<b>LABOR FORCE</b>	<b>EMPLOYED</b>	<b>UNEMPLOYED</b>	<b>INDIANA RATE</b>	<b>US RATE</b>
1992	2,840,200	2,652,300	187,900	6.6%	7.5%
1993	2,944,000	2,785,600	158,400	5.4%	6.9%
1994	3,048,900	2,898,400	150,500	4.9%	6.1%
1995	3,131,000	2,985,300	145,700	4.7%	5.6%
1996	3,065,100	2,938,700	126,400	4.1%	5.4%
1997	3,087,000	2,978,600	108,400	3.5%	4.9%
1998	3,088,300	2,992,700	95,600	3.1%	4.5%
1999	3,075,600	2,982,600	93,000	3.0%	4.2%
2000	3,120,100	3,020,300	99,800	3.2%	4.0%
2001	3,134,300	2,997,800	136,500	4.4%	4.7%
2002	3,174,800	3,011,800	163,000	5.1%	5.8%
2003	3,187,700	3,024,300	163,400	5.1%	6.0%

## Comparison of Indiana and U.S. Unemployment Rates



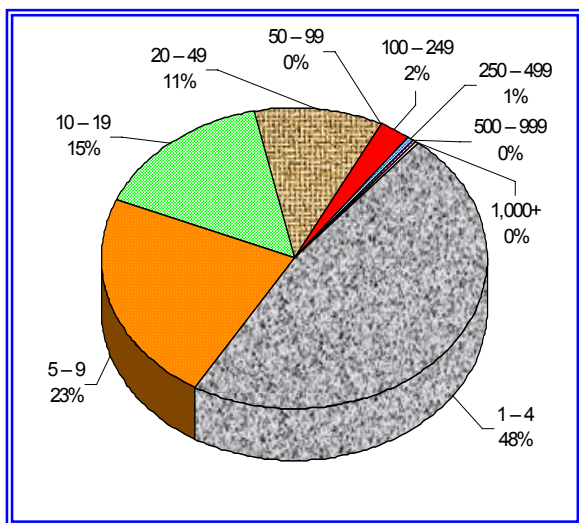
# Unemployment Insurance Board 2002 – 2003 Annual Report

## Employment Statistics: Indiana Establishments by Employment Size Class

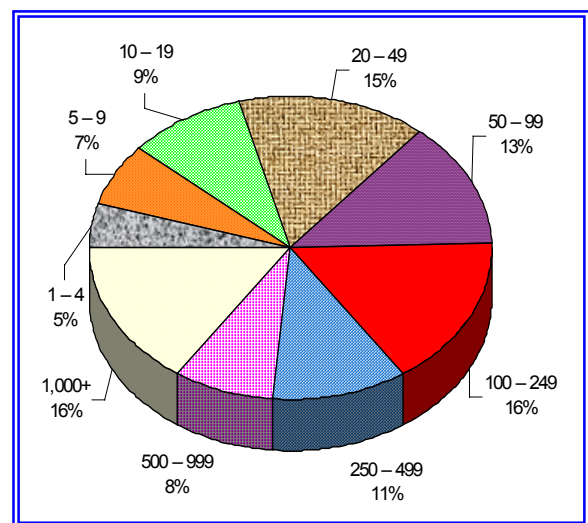
EMPLOYMENT SIZE CLASS	NUMBER OF BUSINESS UNITS 1 <sup>ST</sup> QUARTER 2003	EMPLOYMENT BY SIZE OF BUSINESS UNIT MARCH 2003	TOTAL WAGES
1 – 4	60,441	128,677	\$ 946,118,783
5 – 9	29,019	192,137	\$ 1,242,528,159
10 – 19	19,283	261,092	\$ 1,738,846,275
20 – 49	14,065	425,132	\$ 3,010,089,316
50 – 99	5,392	370,918	\$ 2,811,225,336
100 – 249	3,008	450,228	\$ 3,650,339,843
250 – 499	881	301,603	\$ 2,578,738,772
500 – 999	330	223,036	\$ 2,062,202,813
1,000+	206	436,547	\$ 5,079,878,054
<b>TOTAL</b>	<b>132,625</b>	<b>2,789,370</b>	<b>\$ 23,119,967,351</b>

Includes business units with zero employees and federal employees.  
Figures as of March 2003.

**BUSINESS UNITS BY SIZE**  
1<sup>st</sup> Quarter 2003



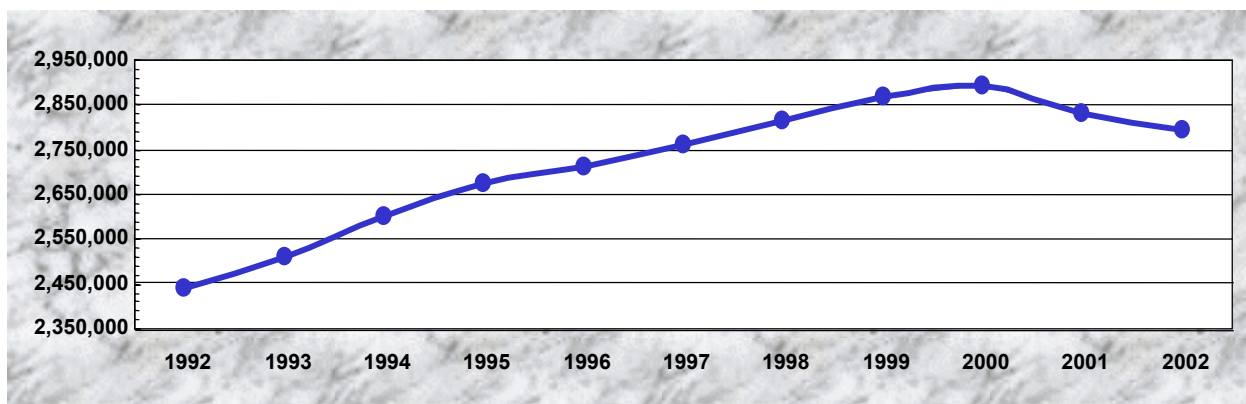
**EMPLOYMENT BY BUSINESS UNIT SIZE**  
March 2003





	Average Number of Workers	Total Annual Wages	Average Annual Wages
<b>Private Ownership Only</b>	<i>rounded to tens</i>	<i>rounded to hundreds</i>	<i>rounded to hundreds</i>
Agriculture, Forestry, Fishing, and Hunting	11,780	\$287,912,200	\$24,400
Mining	6,760	\$316,040,500	\$46,800
Utilities	14,780	\$873,391,200	\$59,100
Construction	145,800	\$5,477,699,200	\$37,600
Manufacturing	588,240	\$25,852,328,900	\$43,900
Wholesale Trade	120,120	\$5,114,400,300	\$42,600
Retail Trade	340,910	\$6,950,331,600	\$20,400
Transportation and Warehousing	100,650	\$3,373,301,900	\$33,500
Information	42,530	\$1,657,365,800	\$39,000
Finance and Insurance	102,780	\$4,544,588,000	\$44,200
Real Estate and Rental and Leasing	35,300	\$941,264,900	\$26,700
Professional and Technical Services	85,980	\$3,702,029,800	\$43,100
Management of Companies and Enterprises	26,490	\$1,634,275,700	\$61,700
Administrative and Waste Services	140,590	\$3,004,225,600	\$21,400
Educational Services	36,380	\$975,109,500	\$26,800
Health Care and Social Assistance	291,890	\$9,504,910,800	\$32,600
Arts, Entertainment, and Recreation	43,720	\$1,074,226,600	\$24,600
Accommodation and Food Services	224,790	\$2,510,497,800	\$11,200
Other Services except Public Administration	84,150	\$1,800,177,700	\$21,400
<b>Unclassified</b>	<b>Data included in Total UI Covered</b>		
Local Government	261,580	\$7,947,940,600	\$30,400
Educational Services	142,120	\$4,588,918,000	\$32,300
Health Care and Social Assistance	26,750	\$850,885,600	\$31,800
State Government	89,820	\$2,994,662,600	\$33,300
Educational Services	48,680	\$1,733,767,200	\$35,600
Health Care and Social Assistance	5,280	\$149,780,800	\$28,400
<b>Total UI Covered</b>	<b>2,795,720</b>	<b>\$90,554,816,800</b>	<b>\$32,400</b>
<b>Federal Government</b>	<b>37,170</b>	<b>\$1,792,530,800</b>	<b>\$48,200</b>

UI Covered Unemployment  
Indiana Totals



**Average Annual Tax per Worker**

Average tax rate multiplied by the taxable wage base.

**Average Duration**

Number of weeks compensated for the year divided by the number of first payments.

**Average High-Cost Multiple (AHCM)**

Calendar Year Reserve Ratio (or “TF as % of Total Wages”); divided by the Average High Cost Rate.

**Average High-Cost Rate (AHCR)**

The average of the three highest calendar benefit cost rates in the last 20 years, or a period including three recessions if longer. Benefit cost rates are benefits paid (including the state’s share of extended benefits but excluding reimbursable benefits) as a percent of total wages in taxable employment.

**Average Weekly Benefit Amount (AWBA)**

Benefits paid for total unemployment, divided by weeks compensated for total unemployment.

**Average Weekly Wage (AWW)**

Total wages (including overtime) divided by covered employment, divided by 52 weeks.

**Covered Employment**

Number of employees covered by Unemployment Insurance that is reported to the states by employers.

**Continued Claims**

The number of Indiana residents who filed for either a waiting period week or a compensable week of unemployment.

**Disaster Unemployment Assistance**

Disaster Unemployment Assistance provides financial assistance to individuals whose employment or self-employment has been lost or interrupted as a direct result of a major disaster declared by the President of the United States. Before an individual can be determined eligible for Disaster Unemployment Assistance, it must be established that the individual is not eligible for regular unemployment insurance benefits (under any state or federal law). The program is administered by states as agents of the federal government.

**Maximum Annual Tax per Worker**

Maximum tax rate multiplied by taxable wage base.

**Minimum Annual Tax per Worker**

Minimum tax rate multiplied by taxable wage base.

**Months of Benefits**

Number of months that benefits could be paid if benefit payments continued at their most recent levels and there were no additional funds collected.

**Regular Benefits**

The benefits paid to individuals under a state program, usually the first 26 weeks of benefits, for all weeks compensated including partial payments.

**Temporary Extended Unemployment Compensation (TEUC)**

Temporary Extended Unemployment Compensation (TEUC) provides extra weeks of federally-funded unemployment benefits to unemployed workers throughout the country who have received all regular unemployment benefits available to them.

**Total Unemployment Rate (TUR)**

The rate computed by dividing total unemployment by the civilian labor force.

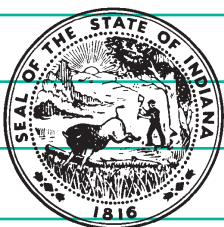
**Total Wages**

All wages or remuneration paid to workers on all payrolls covered by Unemployment Insurance.

**Weeks Compensated**

The number of weeks claimed, for which UI benefits are paid. Weeks compensated for partial unemployment are included. Interstate claims are counted in the paying state.

**AHCM** - Average High-Cost Multiple  
**AHCR** - Average High-Cost Rate  
**AWBA** - Average Weekly Benefit Amount  
**AWW** - Average Weekly Wage  
**BPC** - Benefit Payment Control (Unit)  
**CS3** - Customer Self Service System  
**DLA** - Desired Level of Achievement  
**DWD** - Department of Workforce Development  
**DUA** - Disaster Unemployment Assistance  
**FUTA** - Federal Unemployment Tax Act  
**GET** - Gain Education and Training  
**HCR** - High Cost Rate  
**IWT** - Incumbent Worker Training  
**NAFTA/TAA** - Transitional Adjustment Assistance Program  
**RFP** - Request for a Proposal  
**RSA** - Regional Skills Alliance  
**STA** - Skilled Trades Apprenticeships  
**SUTA** - State Unemployment Tax Act  
**TAA** - Trade Adjustment Assistance Program  
**TEUC** - Temporary Extended Unemployment Compensation  
**TUR** - Total Unemployment Rate  
**UI** - Unemployment Insurance  
**USDOL** - United States Department of Labor  
**WIN** - Workforce Investment Now



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This is an equal opportunity program. Auxiliary Aids and services are available upon request to people with disabilities. For information, contact the DWD Helpline at 1-888-WORKONE or (317) 232-7560 (TDD).